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# COLOMBIA PUBLIC POLICY

## FY2011 ANNUAL WORK PLAN

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# COLOMBIA PUBLIC POLICY

## FY2011 WORK PLAN

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**Submitted to:**

USAID

**Prepared by:**

AECOM International Development

**Disclaimer:**

The authors' views expressed in this document do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

## LIST OF ACRONYMS

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AS	Governmental Agency for Social Action and International Cooperation
BdeO	Bank of Opportunities
CAR	Regional Environmental Authorities
CELI	Consolidation and Enhanced Livelihood Initiative
CIJUS	Center of Socio-Legal Research University of Los Andes
CIMIENTOS	Citizens and municipalities invest in Educacion, Transparency, Health and Safety
CNB	Non-Bank Correspondats
CNCA	National Agriculture Lending Commission
CNRR	National Comission for Reparation and Reconciliation
CONPES	Social and Economic Policy Council
CSDI	Colombia Strategic Development Initiative
CSJ	Supreme Judicial Management Council
CSO	Civil Society Organizations
DAFP	Administrative Department of the Civil Service
DNP	National Planning Department
DT	Demobilized Troops
EITI	Extractive Industries Transparency Initiative
ESAP	National Public Management School
FAG	Agriculture Public Guarantees Fund
FINAGRO	Fund to Finance the Agricultural Sector
GOC	Government of Colombia
IDP	Internally Displaced Population
IGAC	Agustin Codazzi Geographical Institute
ILO	International Labor Organization
IMF	International Monetary Fund
INCODER	Colombian Institute for Rural Development
MEH	Ministry of Environment and Housing
MIDAS	Additional Investment for Sustainable Alternative Development
MIJ	Ministry of Interior and Justice
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOIT	Ministry of Information Technologies
MOTIT	Ministry of Trade, Industry and Tourism
MOT	Ministry of Transportation
MSP	Ministry of Social Protection
NAMA	National Appropriate Mitigation Actions
NCP	National Consolidation Policy
NDP	National Development Plan
NGO	Non-governmental organization
PECS	Payment for Environment and Conservation Services
PILA	Planilla Integrada de Liquidación de Aportes
POT	Planes de Ordenamiento Territorial
PWS	Performance Work Statement
RECs	Regional Environment Commissions
REDD	Reducing Emissions for Deforestation and Degradation
RUAF	Registro Unico de Afiliados

SENA	Colombian National Training Service
SINA	National Environmental System
SINAP	National System of Protected Land and Parks
SNAIDP	National System for Attention of Displaced Population
SNC	Sistema Nacional de Competitividad
TOT	Training of Trainers

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## INTRODUCTION

The Colombia Public Policy Program (CPPP) is USAID's primary instrument for supporting Government of Colombia (GoC) policy reforms. The Program will support public policies to improve the business environment and to promote income generation and GOC services provision to vulnerable groups in Colombia. The Program will support USAID and the GOC in six key areas: Access to land and land policy, access to finance, assistance to conflict affected populations, decentralization and improved public and economic management, labor policy and reform, and environmental policy. The 2011 work plan outlines the Year One activities to achieve the defined results under each Component:

**Component 1 Land Policy:** Building upon the progress achieved under the MIDAS project, the Program will support GoC development of land strategies and policies to achieve three key GoC objectives: a) formalize and protect the property of families with small landholdings; b) reinstate property to victims of land seizure by illegally armed groups; and c) provide access to prime arable land through more efficient land markets and well-designed subsidies for poor landless farmers and conflict-affected populations.

**Component 2 Access to Finance:** The USAID Public Policy Program will accompany GoC-led finance reform with direct assistance to financial institutions to introduce innovative financial products. The Program will provide technical assistance to banks, NGOs, and cooperatives to expand financial networks and introduce new services that meet the needs of vulnerable populations and small farmers in rural areas.

**Component 3 Conflict Affected Populations:** The objective of this component is to strengthen the GoC's capacity to design, adopt and implement public policies that improve the provision of public services and promote sustainable income generation to poor and vulnerable groups affected by the internal conflict.

**Component 4 Decentralization and Improved Public and Economic Management:** The Program will a) clarify roles and responsibilities between levels of government; b) strengthen small municipalities; c) introduce sound policy, legal and budgetary frameworks to improve the delivery of services, promote good governance, and enable the business environment in rural areas; and d) support institutional reform to improve government transparency and encourage citizen participation in governance and policy/program oversight.

**Component 5 Labor Policy:** The Program will continue to support the legal reforms needed to meet and enforce international labor standards by improving labor inspections and oral justice adjudication procedures. We will help increase the efficiency of labor markets by providing assistance to strengthen job training and labor intermediation programs, and will deliver specific recommendations to improve the quality of labor demand information. We will continue to support policy reforms aimed at reducing labor market distortions, rigidities and disincentives to labor-intensive production.

**Component 6 Environmental Policy:** The component will support the Ministry of Environment and Housing (MEH) in leading the redefinition of the National Biodiversity Policy, the unification of protected area categorization, the law for the National Protected Areas System, the National Hydro-meteorological Network and associated climate services, the Payment for Ecosystems Services (PECS) Policy, the REDD Strategy policy, and the Climate Change and greenhouse emissions reduction policy, support for the National Low Carbon Development Strategy. Support will be provided to the GoC to encourage production consistent with low greenhouse emissions; and, other initiatives that emerge from

the FTA Environmental sub-agreement and technical cooperation agreement., including the environment and competitiveness and environment policy document planned for 2010.

The work plan is based on the Performance Work Statement (PWS) that forms the core of the USAID Public Policy Program contract. As the Program is being launched just as the new Santos Administration is completing its first 100 days and the development of the National Development Plan for 2010-2014, there is a unique window of opportunity available to strengthen and further the ambitious GOC reform agenda. Moreover, the administration has moved quickly on submission and passage of key laws and initiatives targeted in the PWS. The timing of the Program start-up has several implications for the work plan:

- Shifting focus from inputs to the NDP to its implementation. Many performance standards include inputs to the NDP. While we will continue to strengthen the NDP, the focus of Year One will be strengthening and implementing key priorities and initiatives in the NDP, through decrees, regulations, capacity building and institutional reform and coordination. Each component plan indicates where activities that were planned in the original PWS are already completed or will be delayed, and where new activities have been identified that fit closely into the PWS and can be supported with the current budget.
- Rapid startup focused on immediate priorities of the GoC. Since AECOM has been on the ground in Colombia for many years, our team was able to mobilize immediately upon contract signature and has been able to reconcile original plans with current priorities to immediately launch key activities. In each component we have outlined the key activities that are part of our rapid start-up plan.
- Emphasis on synergies among components. The management structure of the Policy Program will ensure a holistic and cost effective approach to achieving core results by maximizing synergies among tasks, including activities related to land use management, rural development, inter-institutional arrangements to improve GOC coordination, gender and ethnic issues. Areas of synergy are outlined under each component description, with Component 4, Decentralization and Public and Economic Management, playing a key role in coordinating cross cutting activities. Activities related to information technology (IT) based systems and communications strategy under different components will also be coordinated to ensure cost savings and consistency.

The following sections describe the key activities that will be implemented in Year 1, with associated milestones and performance standards, and plans for Years 2-3. Each section includes a discussion of objectives, background, approach, synergies and rapid start up activities.

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## COMPONENT 1: LAND AND RURAL DEVELOPMENT POLICY

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**Objective:** The Policy Program will support the Government of Colombia (GOC) in the development of land strategies, policies and legal reforms to achieve four long term (10-15 years) GOC objectives: a) Formalize and protect the property of families with small landholdings; b) Reinstatement of property to victims of land seizure by illegally armed groups; and, c) Provide access to prime arable land through more efficient land markets and well-designed subsidies for poor landless farmers and conflict-affected populations d) Design a comprehensive rural development policy to support restituted and other rural communities in the implementation and sustainability of income generation initiatives

**Background:** Resolving land issues is critical to promoting investment, fostering economic growth, consolidating State presence, promoting licit income generation, and protecting Colombia's rich biodiversity. The newly elected GOC has inherited a series of land-related challenges including: severe inequality in land-holding, high levels of land informality, millions of internally displaced persons, a history of failed land reform, high concentration of land holding by few individuals, and inappropriate land use due to lack of land use planning and enforcement. President Santos' administration has shown political will to tackle these difficult issues. A comprehensive land and rural development policy has been announced that addresses many of the challenges cited above. A land restitution bill is now incorporated as a chapter of the draft Victim's Law. A Land and Rural Development bill is currently being drafted. An Emergency Restitution Plan is being implemented as a stop-gap solution while the Law is being debated in Congress. A Land Formalization Program has been created by the Ministry of Agriculture, and a National Land Council is being formed to coordinate policies and programs across sectors.

**Approach:** The Policy Program will build on the momentum generated from the GOC's new land and rural development-related initiatives and will work in coordination with the appropriate GOC entities, including the Ministry of Agriculture (MOA), the Ministry of Interior (MOI), Ministry of Environment and Housing (MOEH), Departamento Nacional de Planeación (DNP), Instituto Colombiano de Desarrollo Rural (INCODER), Instituto Colombiano Agustin Codazzi (IGAC), Consejo Superior de la Judicatura (CSJ) and others. We have frontloaded the land policy component activities to be responsive to the existing window of opportunity and the political momentum created by the government to address land and rural development issues. We will support policy changes and the promotion and adoption of new legislation through the use of studies, workshops, surveys, information dissemination, and provision of high level technical assistance to the GOC. Our teams will work in GOC offices directly with GOC officials to not only produce first best solutions, but also to strengthen GOC institutional and human resource capacity to tackle the land reform challenges. All our land tasks and activities will incorporate a gender focus from the design stage to ensure that we provide recommendations designed to ensure that women, single parent families, and widows can take effective advantage of the land restitution and land formalization initiatives and programs designed to give access to vulnerable populations to land property.

The Policy Program team will work with other USAID programs and other major donors to transfer lessons learned and best practices gathered from USAID's MIDAS pilot projects and international experiences that can be integrated to the national policy framework and regional programs. The Policy Program will provide support to develop manuals and guidelines for the implementation of pilot projects

The Policy Program will also provide support to civil society organizations (CSO) and media leaders to improve understanding of the land reform initiatives, and technical assistance to improve their ability to influence the decision-making process.



The Policy Program will also provide support to the MOA , INCODER and other relevant institutions on the design and development of a comprehensive rural development strategy to support productive projects and income generation initiatives with a territorial approach, in order to ensure sustainability and maximize impact of GOC's land policy reforms.

The Program will prepare a gender strategy to ensure that all land activities and proposed policies take into account the specific needs and impact of policy decisions on women and children. Gender specialists will be engaged to review draft laws and provide recommendations and a strategy for designing policies and programs that have a beneficial impact on women and children and do not perpetuate or reinforce existing gender inequalities.

**Synergies with other components and USAID Programs:** As land issues are cross-cutting and their resolution is fundamental to advancement in other technical areas, we will carefully coordinate with other Policy Program components. Coordination will include the following:

- Component 2 Access to finance: Assisting the GOC in the reform of secured transactions and advising on improvements to the land and property registries; supporting the development of innovative financial schemes to promote land acquisitions by landless farmers, IDPs and other conflict-affected populations;
- Component 3 Policies toward Conflict-afflicted populations: Supporting the implementation of new IDP policy guidelines; development of a new IDP legal framework that incorporates land issues; implementation of programs that promote income opportunities for vulnerable populations; implementation of GOC policies towards Afro-Colombians and indigenous communities; and promoting the participation of conflict-affected populations in policy design and implementation.
- Component 4 Support for decentralization and improved public and economic management: Improving the cadastre at the municipal and departmental level and supporting improved land use management.
- Component 6 Environmental policy: Implementation of the national bio-diversity plan; strengthening the SINAP; improving the legal and regulatory framework for land use management on indigenous reservations; and assisting in developing a REDD strategy for collective lands and *resguardos*.

**Rapid start up activities:** MIDAS and the Policy Program are already working in coordination to implement on-going activities and to develop a transition that outlines how the MIDAS funded activities will be rolled over to the Policy Program over the next 6 months. To capitalize on the current political will to address land issues, we will immediately begin to support to the Ministry of Agriculture by providing technical experts for the Ministry's land formalization, land restitution and rural development teams. Rapid start-up activities also include consultations with government entities to ensure that the Policy Program work plan is aligned with GOC objectives. A series of workshops and studies will be conducted in the first 4 months to provide critical assistance to the GOC on the Victim's Law, , land formalization, and rural cadastre.

## **YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES**

***Result 1.1: Land restitution policies developed and implemented; capacity of the GOC to administer a land restitution program strengthened***

### **TASK 1.1.1: ASSIST IN DEVELOPING A COMPREHENSIVE LAND RESTITUTION POLICY**

<b>Deleted activities:</b>
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- a. Prepare a document that identifies the controversial issues and themes of the Victim's Law under debate by Congress.
- b. Conduct a workshop to develop a compensation scheme for victims that do not wish or are unable to return to their land, and provide follow-on recommendations.
- c. Conduct a seminar on international best practices for land restitution solutions with specific focus on Colombia-appropriate solutions. The input from this seminar will also be used in the design of the land restitution program under Task 1.1.3 Assist the GOC in Developing the Land Restitution Program.  
  
Propose instruments to promote economic stabilization, new income opportunities, and debt/tax relief solutions as appropriate.

**Deleted Performance Standard:**

1 seminar on restitution; 1 workshop and document on compensation systems;

**Activities and Related Milestones**

- Provide on-going support and technical assistance to the Minister of Agriculture on restitution issues through provision of a team of experts to support the MOA's land restitution unit and coordination of the restitution *Plan de Choque*.
- Provide technical assistance to the GOC commission in the drafting of the National Development Plan (NDP) chapter. Aid in the identification of implementing authorities and clarification of their roles.
- Promote public consultation on the draft restitution policy. Assist the MOA to develop a public consultation process and schedule.

Performance Standards: 1 white paper on land restitution which incorporates strategies and an action plan for legislative reform and implementation to be incorporated in the National Development Plan.

**TASK 1.1.2: ASSIST IN DRAFTING LAND RESTITUTION AND COMPENSATION LEGISLATION**

**Deleted Performance Standard:** develop manuals and guidelines and training modules for staff and for judges and magistrates of the Agrarian Jurisdiction.

**Activities and Related Milestones**

*Note: Drafts of the proposed laws/decrees/regulations are not expected to be finalized until Year 2, but work will begin in Year 1.*

- Assist in the inclusion and passing of the restitution chapter of Victim's Law currently in Congress. The Public Policy Program will provide advice to:
  - a. Strengthen the legal procedures designed to expedite land restitution to victims;
  - b. Strengthen the institutions and the institutional coordination between multiple GOC agencies responsible for land restitution;
  - c. Assist the GOC technical committee to conduct research and develop strategies to include key issues in upcoming legislation. Topics may include: special provisions addressing the needs of women, Afro-Colombian and indigenous communities in legislation; identification

of victims who have restitution claims; defining conflict-affected zones; compensation mechanisms when restitution is not possible; and, design of the restitution management unit. The studies will be conducted by sub-committees with representatives from the GOC, civil society and private sector.

- Work with the sub-committees and will help to develop a roadmap for legislative reforms that identifies old regulations that need updating and required new regulations.
- Conduct a workshop with victims to obtain their viewpoints on the validity of policies and areas for improvement.
- Assist the GOC in implementing legislation for restitution and compensation policies.
- Assist the GOC in developing legislation on land restitution for Afro-Colombian and indigenous populations

Performance Standards: 1 workshop with victims and 1 decree.

Years 2-3: Support the implementation of the land restitution Chapter of the Victims Law; Support the development of the implementing decrees and regulations and the institutional strengthening of the Land Restitution Special Administrative Unit; Support the improvement of administrative procedures designed to expedite land restitution and provide support to strengthen the Land Restitution Information System.

The Public Policy Program will develop workshops with media and civil society to promote awareness of new legislation and land restitution procedures, and provide training to lawyers to ensure that victims can take immediate advantage of the legislative innovations.

### **TASK 1.1.3: ASSIST THE GOC IN DEVELOPING THE LAND RESTITUTION PROGRAM**

**Deleted:** Draft a manual/handbook to be used by land restitution agencies and officials, with guidelines on restitution, formalization, land dispute resolution, compensation and promoting public awareness. The manuals will be validated in the field prior to finalization.

#### **Activities and Related Milestones**

*Note: As restitution has now been placed under the mandate of the MOA, our support will be coordinated closely with the MOA instead of the CNRR.*

- Design the institutional and operational plan to implement land restitution in accordance with the new policy and legal framework, and generate an action plan for the new restitution Unit created within the MOA. The program design document will include objectives, restitution strategies, institutional responsibilities, proposed targets, indicators, communication plan, monitoring and evaluation plan. The Program will place special emphasis on ensuring that the land restitution program takes into account gender concerns and provides adequate support to single parent families and widows.
- The Public Policy Program will promote a series of workshops with civil society and the media on the program strategy to ensure that they have an adequate understanding of the proposed program and that they can contribute to improving its design and implementation. We will provide special support to ensure that CSOs representing women, widows, and ethnic minorities have a fair opportunity to comment and contribute to the land restitution program.

Performance Standards: 1 workshop, 1 action plan

Years 2-3: Finalize the CONPES document reflecting the program designed in Year 1. It is expected that the restitution program will be fully operational during

#### **TASK 1.1.4: SUPPORT LAND RESTITUTION PILOT OR IMPLEMENTING PROGRAMS**

##### **Activities and Related Milestones**

- Develop a document with manuals and guidelines for sub-national agency officials and victims.

Performance Standards: document with manuals and guidelines for sub-national agency officials and victims

Years 2-3: Beginning in Year 2, we will evaluate new restitution procedures and manuals for restitution cases to be implemented by the “*Plan de Choque*” if continued or the Victim’s Law (if passed). We will revise manuals, assess institutional capacity and recommend reforms. We will develop training modules for judges, CNRR staff, lawyers and victims organizations. We will monitor implementation of land restitution pilot programs and recommend adjustments to the land restitution procedures and regulations to overcome obstacles encountered. Two manuals/guidelines will be developed for government officials and for victims, and 3 institutional reforms are expected to be enacted by the end of the project.

#### ***Result 1.2: Formalized property rights, streamlined issuance and maintenance of land titles***

##### **TASK 1.2.1: ASSIST THE GOC IN DEVELOPING A NATIONAL LAND FORMALIZATION POLICY**

Some of the previous activities were **MOVED** to the newly created Result 1.3

##### **Deleted Activities:**

- Conduct regional training workshops with IGAC, INCODER, judges, lawyers and others on new formalization processes
- Design training manuals on new procedures and ownership formalization.

##### **Activities and Related Milestones**

- Provide technical assistance to support the design and implementation of the Minister of Agriculture’s Rural Land Formalization Program. This includes the creation of the Formalization Unit, its action plan and regulatory framework within the General Land and Rural Development Law
- Conduct a seminar on land formalization best practices and lessons learned in Colombia and elsewhere to support the GOCs information dissemination process for the Land Formalization Program.
- Review the land formalization procedures and develop an interagency coordination mechanism to ensure that IGAC-INCODER, Ministry of Environment and Regional Environmental Authorities, municipal and departmental authorities, and property registration offices coordinate their different tasks and activities under the Land Formalization Program.
- Provide detailed recommendations to streamline land formalization procedures and ensure that land formalization initiatives are consistent with the land restitution program.

- Review cadastral information and procedures, and recommend adjustments to support formalization activities.
- Review the land and property registration act to determine what changes are required to reduce the cost of property registration.
- Design a program for widespread formalization that details needed legislative and/or regulatory changes, formalization methodologies to be used, government coordination mechanisms, communication and awareness raising strategies, addressing the needs of women and vulnerable groups, geographic coverage, and definition of resource requirements for mass formalization. This will be integrated with the restitution policy.
- Support CSOs, especially for women, ethnic minorities and small farmers to ensure that they have access to and can provide feedback on the preliminary design of the land formalization program and related legislation. Provide training to media leaders to encourage wide coverage of the land formalization program and education efforts designed to improve public understanding of the land formalization program.
- In conjunction with other USAID programs and the GOC, the Public Policy Program will design a series of pilot programs to validate and fine-tune the property formalization procedures.
- Provide technical assistance to strengthen the land formalization policy to be included in the draft National Development Plan 2010-2014

Performance Standards: 1 seminar; 1 workshop; inputs to strengthen the draft National Development Plan.

Years 2-3: A CONPES document and a workshop with women, single parent families, ethnic minorities will be completed in Year 2.

#### **TASK 1.2.2: ASSIST THE GOC IN DESIGNING A STRATEGY FOR OCCUPATION, USE AND PROTECTION OF RESERVE LANDS**

This Task was **Deleted**. Funds were used for other priority activities.

#### **TASK 1.2.2: REFORM NATIONAL CADASTRE SYSTEM**

##### **JUSTIFICATION**

The only activity to be developed due to budget restrictions is the better use of cadaster for municipal planning, which has clear synergies with component 4.

#### **TASK 1.2.3: ASSIST IN STREAMLINING PROPERTY REGISTRATION**

Deleted

#### **TASK 1.2.4: ASSIST CONSEJO SUPERIOR DE LA JUDICATURA (CSJ) IN IMPLEMENTING THE AGRARIAN JURISDICTION AND PROTECTING PROPERTY RIGHTS**

#### JUSTIFICATION

The GOC is very ambitious with its goals regarding land policy and will try to implement these activities within the next two years. This Task is considered crucial for land policy as it includes the design and guidelines for *Salas Agrarias and Salas de Restitución* therefore it has been **DELETED** as a task and has **BECOME** Result 1.4: Salas Agrarias and Salas de Restitucion created and implementing Agrarian Jurisdiction through Support to the CSJ.

The performance standards have not changed, however they are broader considering the importance of preparing agrarian judges to support the transitional justice for land restitution.

#### TASK 1.2.4: SUPPORT IMPLEMENTATION OF PILOT LAND FORMALIZATION PROGRAMS

#### JUSTIFICATION

This entire Task was **Deleted** to finance the M&E activities and to expand Rural Development Activities.

##### **Deleted Activities and Related Milestones**

Provide guidance and support to land formalization pilots.

Performance Standards: The Public Policy Program's ability to support pilot activities is dependent upon the timing of USAID's award of the CELI corridor projects. We hope to provide support to at least one pilot in the first year of the project

Years 2-3: Increase support for pilot programs in the USAID Corridor Projects. At least two institutional reforms within regional Property Registration offices and INCODER are expected.

#### ***Result 1.3 Geographic System (GIS) designed to support land restitution and formalization policy***

#### **1.3.1 ASSIST THE GOC IN DEVELOPING A CONCEPT PAPER ON A UNIFIED DATA INFORMATION SYSTEM WITH SOURCE INTEGRATION TO CLARIFY JURISDICTION OVER SPECIFIC TYPES OF DATA**

#### JUSTIFICATION

The GIS has become a priority for the implementation of the GOC's land policy. The implementation of the system is of high priority and we will work with the MOA to prepare the bidding process for the system during Year 1. Regional Implementation of the GIS was deleted.

**DELETED Performance Standards:** 1 institutional reform

Years 2-3 Support regional implementation of GIS in consolidation areas together with other USAID programs, through the development of manuals and guidelines

#### **Activities and related milestones**

- Provide technical assistance for the diagnosis, design, and public contracting of a GIS.
- Conduct an inventory of data sources which incorporates: source of the data, scope of the data, timeframe for the data, geographic coverage, and how the data can be useful in restitution efforts. This will be articulated to other activities related to Geographical Information System (GIS).
- Develop a concept paper on a unified data information system, source integration and recommendations for clarifying jurisdiction/authority over specific types of data.
- Develop bid for public contracting of the GIS.

Performance standards: 1 concept paper, 1 public bid,

***RESULT 1.4 Salas Agrarias and Salas de Restitución created and implementing agrarian jurisdiction through support to the CSJ (Consejo Superior de la Judicatura)***

**TASK 1.4.1 DEVELOP TECHNICAL STUDIES AND STRATEGIC PLAN TO IMPLEMENT AGRARIAN JURISDICTION WITHIN SALAS AGRARIAS AND SALAS DE RESTITUCIÓN**

**MOVED** from Task 1.2.4: Assist Consejo Superior de la Judicatura (CSJ) in implementing the agrarian jurisdiction and protecting property rights.

**Deleted Performance Standards:** Years 2-3: Training materials will be designed for judges and other professionals.

**Activities and Related Milestones**

- Review the existing law on agrarian justice to determine how expeditious oral evidence gathering can facilitate land formalization and resolution of property disputes.
- Conduct a capacity needs assessment and develop a corresponding strategy to implement agrarian justice that includes options for financing its implementation.

Performance Standards: 1 Institutional Reform

Years 2-3 the methodology (curriculum) and material, to train the judges will be designed.

**TASK 1.4.2 DEVELOP TRAINING MANUALS FOR JUSTICES AND JUDICIAL OFFICIALS ON PROCEDURES FOR AGRARIAN JUSTICE.**

**JUSTIFICATION**

The Activity was DELETED to pay for the M&E and expanded Rural Development activities

**TASK 1.4.2 DESIGN TRAINING METHODOLOGY AND MATERIALS.**



- Design the curriculum and material to start training the judges.

Performance Standards: 1 Curriculum designed.

### ***Result 1.5: Improved land use, access and more efficient land markets***

#### **TASK: 1.5.1: ASSIST THE GOC IN INCREASING LAND OWNERSHIP BY VULNERABLE POPULATIONS**

The original activity in Task 1.4.1. was deleted and some of the other activities were **MOVED** to Tasks 1.5.4, 1.5.6 and 1.7

**Deleted activity:** Assist the GOC in the restructuring and strategic planning of INCODER to enable it to pursue functions on land and rural development policy put forth by the new General land Law.

#### **Activities and Related Milestones**

- Assist the Ministry of Agriculture to develop the General Land and Rural Development Law which addresses land access, land formalization and other key issues of land and water access in MOAs rural development strategy
- Conduct a seminar on the findings from studies with key entities.
- Provide technical assistance to the Committee Working Group to develop a document with detailed recommendations and an action plan that discusses the existing land inventory, future sourcing of land (from State, private sector, and seized assets), proposed mechanisms for allocating land to a land bank, land utilization, distribution of land to the landless, and utilization of the cadastre. The implementation plan will also include linkages to the restitution program and specify whether prioritization of any groups or geographic areas should be considered in government land access programs.

Performance Standards: 1 instrument designed, 1 document with recommendations, National Development Plan chapter

Years 2-3: develop guidelines for managing Peasant Reserve Zones, credit schemes, land auctions, technical assistance, development of resettlement criteria, or others activities. We will coordinate with other USAID funded projects to pilot new land distribution mechanisms and related instruments in priority regions. In Year 3, a CONPES document will be implemented along with two additional instruments and a seminar. These new mechanisms will be piloted under other USAID funded projects in Years 2-3.

#### **TASK 1.5.2: ASSIST GOC IN DESIGNING A STRATEGY FOR OCCUPATION, USE AND PROTECTION OF LAND RESERVES**



JUSTIFICATION

This Task has been Deleted.

**TASK 1.5.2: IMPROVE THE USE OF THE UPDATED CADASTRE IN FORMULATING LAND POLICY**

Previously was Task 1.4.2. Performance standards deleted: concept paper and 3 instruments designed, in order to be able to carry out the M&E activities

**Activities and Related Milestones**

*Note: There are no Year 1 activities under this task.*

Years 2-3: Coordination with CELI programs and its pilot projects.

**TASK 1.5.3 ASSIST THE GOC IN THE CREATION OF THE UNIT FOR LAND AND WATER USE (UNATA)**

JUSTIFICATION

The title has changed but the UNATA which was mentioned in the previous title is the same as the Unit in the new name. The activities have remained the same. Change in numbering.

**Activities and Related Milestones**

- Technical assistance for the creation of *UNATA* to manage land and water use as a key institution to promote adequate use of these services according to the new rural development policy.

Performance Standards: 1 institutional reform. (which will take place starting in year 1 and until year 3).

**TASK 1.5.4: ESTABLISHMENT OF COMISIÓN NACIONAL DE TIERRAS.**

**Activities and Related Milestones**

- Technical assistance for the creation of the Comisión Nacional de Tierras.

Performance Standards: 1 institutional reform. This reform will take place during years 1 and 2.

**TASK 1.5.5: PROMOTE THE USE OF LAND LEASING AND RENTAL**

Previously 1.4.3. No Changes.

### Activities and Related Milestones

*Note: There are no Year 1 activities under this task*

Years 2-3: In year 2, we will prepare a white paper on land rental market constraints and recommendations for adjustments to the legal framework, according to principles established by the General Land and Rural Development Law (if passed) and development of instruments to stimulate rental markets. We will design at least one instrument to support land leasing such as a model rental agreement.

### TASK 1.5.6 PROMOTE MECHANISMS FOR THE EFFICIENT USE OF LAND.

No Changes except for numbering.
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### Activities and Related Milestones

*Note: There are no Year 1 activities under this task*

Years 2-3 We will support legislative action allowing allocation and distribution of land to/from a land bank and design specific instruments to be utilized to support improved access to land. May include development of decrees once General Land and Rural Development Law is passed.

Performance Standards: None in Year 1. 1 Decree in year 2.

### **Result 1.6 Lands of Internally Displaced Persons Protected (IDPs) (Protected land property rights for all Colombians)**

JUSTIFICATION
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Originally Result 1.3. <b><u>Deleted Performance Standard:</u></b> manuals and guidelines.
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Note: GOC priorities on protection of property for IDPs have undergone a major transformation since the Public Policy Program proposal was submitted. Due to this shift, it is likely that modification of performance standards and tasks will be required under this result.

The new Colombian administration has expressed their desire to discontinue *Acción Social's* program for protection of property for IDPs. The current plan is to shift this World Bank-funded program—and its associated personnel and resources—from *Acción Social* to the MOA, and to change the program's focus from protection to restitution. In view of this change, the Public Policy Program will not implement any related tasks in Year 1 and will await the final decision by the GOC. We will also consider how the resources initially programmed for protection of IDP property might be reprogrammed for a monitoring or early warning system for displacement. In Year 2, we will recommend specific tasks and performance standards for Result 1.6 and request a modification to the PWS, if required.

- a. Assist the GOC in developing a permanent land protection program.
- b. Assist the GOC develop a legal and regulatory framework for IDP land protection.

Performance Standards: 1 law, 2 institutional reforms, 3 workshops, 1 decree or regulation, years 2 and 3

**Result 1.7 GOCs Rural development policy adjusted, according to updated regulatory framework and improving management of key government services**

**JUSTIFICATION**

The Tasks under Results 1.6 and 1.7 have been **COMBINED**.

Tasks under result 4.4.4 on rural development have been moved to Component 1 due to their affinity with land policy and implementation of a rural development strategy. Counterparts in the GOC include the MOA and INCODER, as a result, the program can more efficiently and effectively provide technical assistance by including these activities in the Land work plan.

The result includes the institutional adjustment and strategic planning for INCODER and the implementation of a new structure for the rural development sector. INCODER requires a comprehensive reform process to be able to respond to the new political requirements and ambitious GOCs goals. The Program agreed with the MOA and INCODER to make these activities part of a separate result in the Land Component.

**Deleted Activity:** Assist the GOC in the restructuring and strategic planning of INCODER to enable it to pursue functions on land and rural development policy put forth by the new General Land and Rural Development Law.

**TASK 1.7.1 ASSIST THE GOC RESTRUCTURING MADR ACCORDING TO NEW RURAL DEVELOPMENT FRAMEWORK**

New Task

**Activities and Related Milestones**

- The MOA will undergo significant changes to adjust to the new guidelines on rural development and land policy.
- The support to the MOA, will include a team of experts to give recommendations, and prepare a comprehensive rural development policy document.
- The document should include recommendations from former ministers and politicians.
- The Program will support the development of a new structure, creation of planning units and distribution of functions within the Ministry and in INCODER to clarify roles on policy formulation and implementation. Assistance will be delivered in coordination with the High Commissioner for Good Governance assuring an integrated approach involving all entities within the rural development sector.
- An international seminar to include lessons learned and experience from other countries in rural development (beyond productive projects, with a regional development point of view, considering potential clusters and natural resources.
- Pilot projects in emblematic areas (3 ADR pilots)

Performance Standards: 1 CONPES or Equivalent Document; 4 Institutional reforms; 2 workshops (with former Ministers and other stakeholders that feed the Rural Development policy); 1 seminar

### **TASK 1.7.2 ASSIST THE GOC IN ADJUSTING ITS PRODUCTIVE VALUE CHAIN POLICY**

The numbering has changed from 1.7.1 and 1.7.2. There have also been changes to the performance standards for the activities.

#### **Activities and Related Milestones**

- Provide technical assistance and recommendations for policy adjustment, value chain studies, regional plans, institutional strengthening and monitoring. The value chain approach should be adjusted to clarify the roles of all linkages of the chain, maximizing regional impact and development through a strengthened interagency coordination

Performance Standards: 1 Policy document

### **TASK 1.7.3 SUPPORT THE GOC IN ADJUSTING ITS RURAL DEVELOPMENT POLICY**

#### **Activities and Related Milestones**

- Support will be delivered to develop a CONPES or equivalent document with activities, tasks, budget and institutional approach of the new rural development policy according to guidelines drafted in the General Land and Rural Development Law.
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Performance Standards: 1 CONPES or equivalent document

### **TASK 1.7.4 SUPPORT THE GOC IN ADJUSTING ITS POLICY TO DELIVER PUBLIC GOODS TO RURAL POPULATION**

#### **JUSTIFICATION**

This is a new task. The Program will support the consolidation of the bidding process for the supply of public services in rural areas.

#### **Activities and Related Milestones**

- Using the experience and studies produced during MIDAS, support the GOC in the adjustment of its instruments to subsidize producer technical assistance, housing, access to land, productive alliances and other goods needed for development of productive projects for sustainable income generation in coordination with national and regional institutions.

Performance Standards: 1 instrument designed & implemented

### **TASK 1.7.5 DESIGN OF MANAGEMENT SCHEMES AND INSTITUTIONAL ARRANGEMENTS FOR ADRs**

Change in numbering, was Task 1.6.2

#### **Activities and Related Milestones**

- Support the GOC in the design of mechanisms for rural development planning and management of ADRs such as Nation Region Development contracts between different levels of government and agencies and other budget mechanisms to leverage public investments and target investment to high impact activities.

Performance Standards: 1 Institutional reform

### **TASK 1.7.6 ASSIST THE GOC IN RESTRUCTURING INCODER**

Change in numbering, was Task 1.6.3

#### **Activities and Related Milestones**

- Technical assistance for designing the new entity, including technical studies on payroll needs and identification of staff needed.

Performance Standards: 1. Institutional reform, 1 Manual and guidelines, 1 Decree

### **TASK 1.7.7 ASSIST THE GOC IN THE STRATEGIC PLANNING OF INCODER**

Change in numbering, was Task 1.6.4

#### **Activities and Related Milestones**

- Technical assistance to develop a strategic plan according to guidelines set by the new land and rural development policy.

Performance Standards: 3 Workshops, 1 strategic plan

### **TASK 1.7.8 SUPPORT THE ESTABLISHMENT AND IMPLEMENTATION OF AN INFORMATION SYSTEM FOR AGRICULTURE WITHIN THE MARD**

#### **Activities and Related Milestones**

- Promote the implementation of an information system within the MOA, using the recommendations provided under the MIDAS program.

Performance Standards: 1 Document w recommendations

### **TASK 1.7.9 SUPPORT DEFINITION AND IDENTIFICATION OF AREAS DE DESARROLLO RURAL (ADR)**

Change in numbering, was Task 1.6.1

#### **Activities and Related Milestones**

- ADR's are the basic unit for implementation of GOCs new rural development policy and INCODER will be responsible of the definition of these areas according to geographic, agronomic, economic and social parameters in order to enable GOC to deliver public goods and incentives for sustainable agricultural production and livelihoods. Technical assistance will focus on initial steps for the definition of these areas clarifying parameters and methodologies.

Performance Standards: 1 Document w recommendations

### ***Result 1.8 Land Policy Support Monitoring and Communications***

#### **JUSTIFICATION**

Land and Rural Development policy activities are strategic for the GOC, and USAID. There is a need for regular, up to date, high level, analytical information on the progress and political context of land policy activities. USAID has requested a team that is capable of providing high-level analytical reports, briefers and other communication material on a permanent basis. As a result, the Program is including a dedicated reporting and monitoring and evaluation team to respond to the evolving information needs of USAID in the area of Land and Rural Development Policy.

### **TASK 1.8.1 STRATEGIC COMMUNICATIONS**

New Task

#### **Activities and Related Milestones**

- Prepare reports with strategic information on land and rural development policies and the development and implementation of these activities in Colombia.

Performance Standards: Weekly reports and monthly briefer

### **TASK 1.8.2 PUBLIC POLICY PROGRAM INFORMATION SYSTEM**

**New Task:** The Program will establish a dedicated communications team that will provide timely and relevant reporting for USAID, the Program and GOC counterparts as required. The Program will also establish an information management system that is easily searchable to house land and rural development policy information and news.

#### **Activities and Related Milestones**

- Create a communications unit that provides timely and relevant information on land policy related activities including success stories, weekly reports, briefers, events and other communications materials as needed.
- Design a system to house deliverables, M&E, GIS and other relevant information on land policy.

Years 2 – 3: Information management system implemented, with real time information; communications team in place and providing top level reporting and information on land policy and rural development.

Performance Standards: 1 Information System adjusted

### **TASK 1.8.3 PROGRAM MONITORING AND EVALUATION**

#### **New Task**

The Program will design an M&E system for Land and Rural Development to evaluate the impact of national level policies. The team will design the indicators, develop the baseline and work with the DNP to link the system with existing GOC systems to improve the GOCs capacity to monitor and evaluate the impact of policies in reducing poverty and increasing economic opportunities in Colombia. The Program will also design an impact evaluation framework to enable the Program and USAID to evaluate the impact of the Program supported policies and institutional reform processes.

#### **Activities and Related Milestones**

- Support the design of an M&E Program for the Land and Rural Development National Policy. Including: baseline, monitoring and impact indicator design, in coordination with DNP.
- Monitor indicators, evaluating the impact of the Program supported policies and the Program impact on the supported institutional reform process.
- Develop Baseline in coordination with DNP and other institutional stakeholders

- Impact evaluation during policy implementation.

Performance Standards: 1 M & E Program Evaluation Designed (Base Line, Monitoring Indicators, Impact Indicators)



## COMPONENT 2: ACCESS TO FINANCE

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**Overall Objective:** The USAID Public Policy Program will accompany GOC-led finance reform to continue improving access to finance in rural areas and for vulnerable populations; promote with direct assistance to GOC institutions an adequate regulation environment, the implementation of innovative distribution channels to expand financial networks, the introduction of new financial products and the access to financial services for vulnerable population. As a result of the revision of the SOW with the GOC, three important activities have been inserted: the ongoing support to the Financial Regulation Area of the Ministry of Finance, the support to the Financial Superintendence and the TA to Banco Agrario. The new activities are of critical importance because the first two entities are in the process of defining the orientation of the financial inclusion policy for the next years and Banco Agrario is key for the implementation of the access to finance policy for the agriculture sector.

The Access to finance component will also assist Banca de las Oportunidades (BDO) in the design and implementation of policies and instruments to introduce new financial products targeted to rural, low income and vulnerable populations; the Ministry of Interior and Justice in the design of policies to facilitate access to financial services to victims and in the reform of the Code of Civil Procedure, regarding the enforcement of guarantees; the Ministry of Trade, Industry and Tourism and the Societies Superintendence in the reform of the collateral regime; and the entities related to the agriculture sector to improve agriculture lending and develop financial instruments to facilitate long gestation crops financing.

**Background:** The National Development Plan 2010-2014, issued by DNP, proposes the expansion of financial services towards rural and low income population. Specifically, the new policy framework for equal opportunity and social prosperity, proposes a financial inclusion policy and the implementation of innovative distribution channels to reach population in rural and remote areas. The Public Policy Program aims to contribute and support these government objectives.

**Approach:** The Public Policy Program will support the GOC in the implementation of key pending reforms to improve access to finance. To build support for reform priorities and assist during the reform design stage, the team will support international seminars and workshops with GOC officials, congress, magistrates, and civil society organizations on best practices in collateral reform, interest rate caps, mobile banking and electronic wallets. The Component team will provide assistance on discussions of policy orientation, will provide background, bring international experiences and disseminate lessons learned in the past and in other countries. The Component team will provide assistance on legal reforms and implementing decrees, and continue to support design and implementation of Banca de las Oportunidades, Banco Agrario and other GOC agencies.

**Synergies with other components and USAID Programs:** The access to finance component supports and facilitates the results of other components of the Policy Program:

***Access to land:***

- Design instruments and promote access to financial services for farmers.
- Economic stabilization and income opportunities to returnees, through policy instruments and incentives for the implementation of micro agriculture loans, village banking and self help groups.

- Promote the expansion of financial sector's outreach through low cost distribution channels, such as CNBs, mobile banking and/or electronic wallets.
- Long term financing options for agricultural production; agricultural insurance; crop securitization schemes and venture capital for the rural sector.
- Stimulate agriculture lending through reforms to the collateral regime and interest rate caps.

***Policies towards conflict affected population:***

- Promote access to financial services by victims and other conflict-affected populations.
- Design and implement policy instruments to increase supply of credit, insurance, payments and transfers to vulnerable populations.
- Improve access to finance for Afro-Colombians and indigenous population through support to BdeO and provision of financial instruments that meet the needs of these groups.
- Promote savings through support to BdeO in the design and implementation of incentives for new financial products such as self help groups.

***Decentralization and Improved Public and Economic Management:***

- Promote rural development by implementing innovative distribution channels and improving access to finance.

***Environmental issues:***

- Promote environmental conservation by developing incentives for vulnerable populations that provide environmental services or are engaged in bio-trading activities.

**Counterpart Interfaces:** Banca de las Oportunidades, Ministry of Finance, Financial Superintendence, Ministry of Agriculture, Banco Agrario, Finagro, Ministry of Interior and Justice, Societies Superintendence, Ministry of Trade, National Planning Department and Social High Commission for Social Prosperity.

**Rapid Start up activities:** Start up activities for this component will be driven by priority changes that have occurred with the new government. Consequently, five results will have a higher priority in the first year:

- Support to the Ministry of Agriculture and Banco Agrario in the design of policy instruments to alleviate the financial situation of the population affected by the rainy season.
- Support to implement the IDP policy framework to facilitate access to financial services included in the Victims' Law in Congress.
- Support to Acción Social in the design of incentives to promote savings of Familias en Acción beneficiaries and in the design of the strategy to pay the subsidies to these families.
- Support to Banca de las Oportunidades in the design and implementation of a pilot program to promote microinsurance and microsavings in Red Juntos' population.
- Support to Ministry of Interior and Justice, Ministry of Trade and the Societies Superintendence in the modification of the guarantee requirements and collateral regime.

## YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES

### *Result 2.1: Guarantee requirements and collateral regime reformed*

#### **Task 2.1.1 Assist the GOC in reforming civil and commercial codes**

##### JUSTIFICATION

The Societies Superintendence has requested support from the USAID Public Policy Program to organize two seminars on the benefits of modifying the collateral regime, with the aim of generating advocacy in favor of the law.

- Year 1. 1 Seminar. **MOVED FROM 2.1.2.**
- Year 1. 1 Seminar. **INSERTED**
- Year 2. 1 Institutional Reform. **REMOVED.**

#### **Activities and Related Milestones**

- Begin discussions with the new government on the Draft Law during the first semester of 2011.
- Analysis and recommendations to modify the Code of Civil Procedure, on the enforcement of guaranties.
- Articles proposed to modify the Code of Civil Procedure, regarding the enforcement of guaranties.
- Advocate in favor of the law, organize a best practices seminar on collateral reform & impact of reforms on access to finance.
- Recommendations to modify the Commercial Code in order to expedite the registration process and expand the type of goods that can be used as collateral.
- Provide TA to develop and streamline collateral registration for moveable & real state.

Performance Standards: 1 Law reforming Commercial and Civil Procedures Codes, on the guarantee requirements and collateral regime will be completed and 2 best practices seminar on collateral reform & impact of reforms on access to finance.

Years 2-3: 1 decree/regulation implementing legal reform will be completed.

#### **Task 2.1.2 Assist the Finance Superintendence in implementing consumer protection and improving outreach on borrower rights**

##### JUSTIFICATION

We are still in discussions with the Financial Superintendence on support for these activities

- Year 2. 1 Seminar on collateral reform and impact of reforms on access to finance. **MOVED TO 2.1.1.**

### Activities and Related Milestones

- Provide TA to the Financial Superintendence on consumer protection.
- Draft norms regarding consumer protection for financial sector clients.
- Make an assessment and recommendations on regulations proposed for consumer information.
- Design strategy and outreach materials on borrowers and lenders rights and obligations.

Performance Standards: 1 Workshop with borrowers and lenders.

Years 2-3: Year 2, a decree/regulation on supervision procedures enforcing consumer protection; 1 workshop with the media on the impact of the reform.

## **Result 2.2 Reform of interest rate caps**

### **Task 2.2.1 Assist the GOC in Deregulating Interest Rate Caps**

No Changes

### Activities and Related Milestones

- Support the reform of interest rate caps to promote access to credit and the expansion of financial services to low income population and hard-to-access rural inhabitants.
- Prepare a study on benefits/challenges of deregulating interest rate caps and proposals to deregulate.
- Organize a workshop with GOC, Congress and bankers to discuss the benefits of deregulating interest rate caps

Performance Standards: 1 workshop with GOC to discuss the benefits of deregulating interest rate caps.

Years 2-3: Year 2: 1 decree/regulation for deregulating administrative caps on interest rates; 2 workshops with Media and Civil Society to discuss the benefits of deregulating interest rate caps.

### **Task 2.2.2 Assist the GOC in liberalizing interest rates for rediscounted FINAGRO loans**

#### JUSTIFICATION

The Program is in discussions with the Ministry of Agriculture on the support required for the agriculture finance activities.

- 1 input to National Development Plan. **DELETED.**
- 1 Institutional Reform. **INSERTED.**

### Activities and Related Milestones

- Report with proposed reforms to FINAGRO rediscount rates including alternative instruments to improve access for small farmers.
- Support the National Agriculture Lending Commission (CNCA) to liberalize interest rates on all FINAGRO-based loans.

Performance Standards: None in year one.

Years 2-5: Year 2: 1 institutional reform and 1 decree/regulation implementing reforms of FINAGRO.

### Task 2.2.3 Provide Technical Support to the GOC to Liberalize Interest Rate Caps on Mortgages.

#### JUSTIFICATION

Activity **REMOVED.** This activity is not a GOC priority. The GOC prefers to discuss the reform of interest rate caps from a general perspective. As a result, the reform of interest rate caps was included in the National Development Plan. However, in Task 2.2.1 the analysis of interest rate caps on mortgages will be considered.

- Year 2. 1 Workshop with CC magistrates will be conducted. **REMOVED.**
- Year 3. 1 law to eliminate interest rate restrictions and caps will be drafted and 1 workshop with mortgage lenders and borrowers will be conducted. **REMOVED.**

### Result 2.3: Taxes and cost of financial services in rural areas reduced

#### Task 2.3.1 Assist the GOC to implement new distribution channels.

#### JUSTIFICATION

Task 2.3.1. **INSERTED.** The implementation of mobile banking and/or electronic wallets as low cost distribution channels to reach population in rural and remote areas is a priority in the National Development Plan. For this reason the Ministry of Finance, The Financial Superintendence and Banca de las Oportunidades have requested support from the Program in the design and implementation of the regulation. New performance standards.

### Activities and Related Milestones

- Ongoing support to the Ministry of Finance on the policy instruments needed to implement mobile banking and/or electronic wallets.
- Ongoing support to Banca de las Oportunidades in the implementation of mobile banking and/or electronic wallets.

- Organize a seminar on lessons learned from international experience
- Organize workshop on the implementation of new distribution channels.

Performance Standards: 1 Seminar, 1 workshop.

Years 2-3: Year 2: 1 policy instrument to promote implementation of mobile banking and/or electronic wallets; 1 decree/regulation to implement mobile banking and/or electronic wallets; 1 policy instrument to promote the implementation of incentives to develop mobile banking and/or electronic wallets.

Performance Standards Year 2: 1 Decree/regulation; 2 Policy instrument.

### **Task 2.3.2 Assist in developing more efficient cash management and transaction clearing mechanisms**

#### **JUSTIFICATION**

The Program will provide information on international experience for cash management to facilitate the implementation of this regulation. There is no need to issue a decree/regulation on cash management, but the Program will support the development of a policy instrument.

- Year 1. 1 Decree/regulation. **REMOVED**
- Year 1. 1 Workshop. **INSERTED.**
- Year 2. 1 Policy instrument. **INSERTED**

#### **Activities and Related Milestones**

- Begin discussions with the GOC on better cash management schemes in rural areas.
- Present a proposal document to the GOC.
- Organize a workshop with GOC, Central Bank and Bankers.

Performance Standards: 1 workshop on cash management.

Years 2-3: Year 2: 1 Policy instrument to improve cash management.

### **Task 2.3.3 Provide Strategic Support in the Implementation of the Financial Inclusion Policy.**

#### **JUSTIFICACION**

Task 2.3.3. **INSERTED.** The Financial Regulation Area of the Ministry of Finance is in the process of defining the implementation of the financial inclusion policy. This task is of strategic importance to implement the access to finance strategy included in the National Development Plan and impacts the other component results. The Ministry of Finance requested

support from the Program in defining and implementing the financial inclusion policy. They also requested support in the revision of the interest rate cap reform, the implementation of new distribution channels and products, which are already included in other results (2.1.2, 2.2, 2.3.1). New Performance Standards.

### Activities and Related Milestones

- Provide support in the definition and implementation of the financial inclusion policy.
- Assist the development of regulation to allow the implementation of financial products through mobile banking.
- Support in the implementation of collections and payments through electronic channels.
- Support the development of regulatory adjustments to promote expansion and diversification of products through CNBs.

Performance Standards: 1 policy instrument about financial inclusion policy, 1 workshop about financial inclusion policy.

Years 2-3: Year 2: 1 policy instrument about implementation of financial inclusion policy, 1 workshop about financial inclusion policy and 1 decree/regulation implementing financial inclusion policy. Year 3: 1 decree/regulation implementing financial inclusion policy.

### Task 2.3.4 Assist in the Regulation of New CNB Models to Promote Financial Inclusion.

#### JUSTIFICATION

Task 2.3.4 **INSERTED**. A priority of the Financial Superintendence is to develop regulation to implement new distribution channels. The CNB model will include stock brokers and CNBs for foreign currency and unified regulation related to CNBs. Added: Year 2: 1 Decree/Regulation. **INSERTED**

### Activities and Related Milestones

- Document w/ analysis of the regulation required to extend the Branchless Banking “Coresponsables no Bancarios” CNB model to CNBs for stock brokers and CNBs for foreign currency.
- Provide support and TA for the required regulations.

Performance standards: None in year 1.

Years 2-3: Year 2: 1 decree/regulation on new channels.

### Task 2.3.5 Support Transaction and Savings Financial Services.

#### JUSTIFICATION

Task 2.3.5. **INSERTED.** All the items included are the result of the coordination meetings with the Financial Superintendence. New Performance standards added.

#### Activities and Related Milestones

- Documents w/ recommendations on the instruments to enhance the infrastructure to support transactions, national remittances and savings within a policy to promote financial inclusion.
- Third party banking agents (CNBs): support the development of regulation to implement new products in the CNBs.
- Support in the definition of policies to promote competence in mobile banking.
- Support in the regulation of savings accounts (if additional adjustments are required) to facilitate access.
- Review the obstacles to implement collects and payments through electronic channels.
- Analyze the market for local transfers and operators to define strategies to improve regulation.
- Support the organization of an international seminar.

Performance standards: 1 decree/regulation.

Years 2-3: Year 2: 1 decree/regulation and 1 workshop.

#### **Result 2.4: Small savings collection encouraged**

##### **Task 2.4.1 Support policy design that encourages small savings**

No Changes

#### Activities and Related Milestones

- Develop policy instruments and/or incentives to promote the implementation of micro-savings accounts that incorporates international best practices.
- Organize a workshop on the implementation of small savings accounts.

Performance Standards: 1 workshop on savings account regulation and implementation with GOC and Financial Institutions.

Years 2-3: Year 2: 1 Policy instrument to encourage small savings accounts.

##### **Task 2.4.2 Promote incentive schemes that encourage micro-savings in rural areas.**

No Changes

#### Activities and Related Milestones



- Provide TA to Banco Agrario to design a strategy to take advantage of its vast rural network and cash mobilization infrastructure to mobilize small savings.
- Support BDO in the design of incentives and policy instruments to facilitate the introduction of micro-savings in financial institutions.
- Assist BDO and Ministry of Finance in the design and implementation of incentives and subsidies that encourage small retirement savings programs for low income individuals (BEPs).

Performance Standards: 1 Instrument designed and implemented to encourage electronic savings accounts.

Years 2-3 Year 2: 1 instrument designed and implemented to encourage small retirement savings programs for vulnerable and poor populations.

#### **Task 2.4.3 Promote small savings accounts for Familias en Acción beneficiaries.**

##### **JUSTIFICATION**

Two instruments will be designed for Familias en Acción, 1 for the payment of subsidies and another to promote savings.

Year 1. 1 Instrument to pay Familias en Acción subsidies. **INSERTED.**

#### **Activities and Related Milestones**

- Assist *Acción Social* in the design of incentives to promote a savings culture amongst *Familias en Acción* beneficiaries.
- Assist *Acción Social* in the design of the strategy to pay *Familias in Acción* subsidies.

Performance Standards: 1 Instrument designed and implemented to pay *Familias in Acción* subsidies.

Years 2-3: Year 2: 1 instrument designed and implemented to promote a savings culture for members of *Familias en Acción*.

#### **Result 2.5 Long-term Financing Options Developed for Agricultural Production**

##### **Task 2.5.1 Support the reform of FINAGRO**

##### **JUSTIFICATION**

Year 2. 1 input to National Development Plan. **REMOVED.**

Year 2. 1 Institutional reform. **INSERTED.**

### Activities and Related Milestones

- Prepare a diagnostic of FINAGRO's long-term finance programs, and recommend strategies for improving long term finance options.
- Propose action plan to modify FINAGRO services, cost structure and financing schemes.
- Organize international best practices seminar on long-term agriculture and forestry finance policy.

Performance Standards: None in year one.

Years 2-3: Year 2: 1 seminar on international best practices in long-term agriculture and forestry finance policy, 1 Institutional reform to fund long gestation crops and 1 CONPES with action plan to modify FINAGRO services, cost structure and funding schemes.

### Task 2.5.2 Strengthen the Agriculture Public Guarantees Fund (FAG)

No Changes
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### Activities and Related Milestones

Assess the fund's operation, develop recommendations to promote sustainability and increase its impact in agricultural lending markets. Support the drafting of related regulations.

Years 2-3: Year 2: 1 decree/regulation recommending FAG reform with action plan and regulation modifying FAG operations.

### Task 2.5.3 Promote Agricultural Insurance

#### JUSTIFICATION

Following the massive flooding at the end of 2010, the Ministry of Agriculture issued a Decree in January 2011, to create the Direction of Agricultural Insurance within the Ministry. The guidelines for supervision of agricultural insurance will be part of the TA provided to the Financial Superintendence.

- Year 2. 1 input to National Development Plan. **REMOVED.**
- Year 2. 1 Manual & guidelines. **MOVED TO 2.9.3**

### Activities and Related Milestones

- Support MOA in the design of a policy to promote insurance instruments.
- Assess the agricultural insurance market, identify issues that are preventing its growth, and present an action plan for overcoming obstacles.
- Policy document to promote agricultural insurance.

Performance Standards: 1 decree/ regulation with recommendations for regulatory reform.

Years 2-3: Year 2: 2 instruments designed and implemented.

**Task 2.5.4 Assist in developing regulatory guidelines for financial derivatives and commodities exchange**

JUSTIFICATION

This activity has been **DELETED**. It is not considered a priority.

**Task 2.5.5 Promote crop securitization schemes and venture capital for the rural sector**

JUSTIFICATION

This activity has been **DELETED**. It is not considered a priority.

**Task 2.5.4 Strengthen risk assessment in agricultural lending markets through expanding coverage of credit bureaus**

Change in Numbering only

**Activities and Related Milestones**

- Support FINAGRO in developing and implementing an action plan with instruments to encourage the reporting of rural and agriculture producers to credit bureaus by financial and other institutions to better assess risk.
- Document designing policy and incentives to promote reporting to credit bureaus by cooperatives, NGOs, crop buyers, input and intermediate product providers.

Performance Standards: None in year one.

Years 2-3: Year 2: 1 instrument designed and implemented

**Task 2.5.5 Assist the GOC to abolish mandatory investments.**

#### JUSTIFICATION

Change in Numbering and moved from 2.3.1

- Year 2. 1 input to National Development Plan. **REMOVED.**
- Year 2. 1 Policy instrument. **INSERTED.**

#### Activities and Related Milestones

- Assist the GOC in reforming FINAGRO's funding sources with the aim of abolishing the mandatory investments imposed on commercial bank deposits.
- Analyze alternatives for the elimination of regulations mandating forced investment of deposits.
- Draft reform proposal to eliminate mandatory investments and develop an incentives scheme to promote agriculture lending to small producers.
- Undertake advocacy activities with the GOC in support of policy reform proposals.

Performance Standards: 1 workshop on Finagro reform.

Years 2-3: Year 2: Policy proposal to eliminate mandatory investment of deposits and new funding sources for Finagro, 1 decree/regulation eliminating regulation mandating forced investments on deposits; 1 CONPES to reform mandatory investments and develop an incentives scheme to promote agriculture lending to small producers.

***Result 2.6: New financial products and services introduced by financial institutions in priority strategic development zones. DELETED***

**Task 2.6.1 Work with large banks and financial NGOs to expand activities to targeted regions.**

#### JUSTIFICATION

**TASK DELETED** This task was designed to provide TA to financial institutions through the transfer of knowledge to the USAID funded projects in CELI regions. The main task of the Public Policy Program was to provide training to trainers to the regional projects so they could lead the work with large banks and financial NGOs. However, the CELI regions projects are not in operation.

**Task 2.6.2 Support pilot programs for new financial products.**

#### JUSTIFICATION

**TASK DELETED** This task was designed to support the implementation of pilot programs in priority strategic development zones (CSDI regions). The main task of the Public Policy Program was to provide training to trainers to the regional projects so they could implement the pilot programs for new financial products. However, the CELI regions projects are not in operation.

In addition, in meetings with the GOC it is clear that the priority for access to finance is the beneficiaries of Red Juntos, and not targeted regions such as the CSDI regions.

### *Result 2.6: Banco Agrario modernized.*

#### JUSTIFICATION

**New Result.** The modernization of Banco Agrario is one of the priorities in the National Development Plan, given that the Bank is one of the main instruments of the GOC agricultural policy to provide financial services to population in rural and remote areas.

#### **Task 2.6.1: Support Banco Agrario adopt an improved governance arrangement**

#### JUSTIFICATION

**New Task.** The Program will support the institutional reforms needed to improve the Bank's ability to generate value and operate. Assistance will improve the Bank's governability and improve its ability to accomplish its mission.

#### **Activities and Related Milestones**

- Action plan to improve governability.
- Provide strategic support for the implementation of the Action Plan.

Performance Standards: 1 Policy document.

Years 2-3: Year 2: 1 institutional reform.

#### **Task 2.6.2: Support the expansion of microfinance products**

#### JUSTIFICATION

**New Task.**

#### **Activities and Related Milestones**

One of the priorities of the National Development Plan is to provide access to financial services to people living in rural areas through the development of microfinance products. We will assist the microfinance unit of Banco Agrario to design a strategy to expand microfinance products (pilot program) and to implement new microfinance products. This activity will consolidate the TA provided under MIDAS.

- Design the strategy to expand micro agricultural loans, village banking and life micro-insurance.
- Design the strategy to implement new financial products, such as home improvement loans, micro-savings and business micro-insurance.
- Recommendations on portfolio management and back office procedures to meet international benchmarks.

Performance Standards: 1 Policy document to expand 3 pilot programs, 1 instrument to implement a new product designed and 1 institutional reform on portfolio management and back office procedures.

Years 2-3: Year 2: 2 instruments designed to implement two new products.

### *Result 2.7: Increased supply of credit, insurance, payments and transfers to vulnerable populations*

#### **Task 2.7.1 Assist in developing microfinance regulations and guidelines**

##### JUSTIFICATION

Instead of a manual and guideline the Program will provide training to the Financial Superintendence on how to supervise risk in microcredit and microcredit institutions. The supervision of electronic savings accounts was excluded because the supervision refers to risks associated with microcredit, not savings.

- Year 2. 1 Workshop. **INSERTED.**
- Year 3. 1 Workshop. **INSERTED.**
- Year 2. 1 Manual & guidelines. **REMOVED.**
- Year 3. 1 Manual & guidelines. **REMOVED.**

#### **Activities and related milestones**

- Provide strategic support to develop regulations and supervision environment to promote that financial entities which offer microcredit have adequate risk management policies specific for microcredit and in general for low income population.
- Provide training to supervisors on risk supervision in microcredit & microfinance institutions.
- Provide on the job training to supervisors about how to supervise the risks in microcredit.

Performance Standards: None in Year 1.

Years 2-3: Year 2: 1 decree/regulation and 1 workshop for risk assessment and supervision of microcredit products. Year 3: 1 workshop for risk assessment and supervision of microcredit products.

#### **Task 2.7.2: Assist BDO and Oportunidades Rurales.**

### JUSTIFICATION

In 2009 remittances received by Colombians represented almost 2% of GDP (2.7 times more than the income from coffee exports). For this reason, the promotion of remittances as an instrument for financial inclusion is one of the priorities included in the National Development Plan. The BDO and the Financial Superintendence requested support from the Program in this area.

- 1 instrument designed to promote remittances and local transfers as an instrument for financial inclusion. **INSERTED.**
- 8 workshops with GOC and Financial Institutions on financial services supported. **MODIFIED** to 3 workshops: 1 in year 1, 1 in year 2 and 1 in year 3.

BDO does not require two workshops for each financial service supported. Instead, BDO requested support in the design and implementation of the bid processes that will be opened to financial institutions.

### Activities and Related Milestones

- Provide ongoing support to BdeO & Oportunidades Rurales to design and implement two policies/instruments that encourage either micro-savings, micro-insurance, micro-agricultural lending, village banking, home improvement lending, agricultural insurance or agricultural lending based on purchase order financing.
- Support BdeO & Oportunidades Rurales in organizing one workshop to promote advocacy activities for the inclusion of vulnerable population by financial institutions.
- Provide support to BDO to promote remittances and local transfers as instruments for financial inclusion.

Performance Standards: 2 Instruments designed and Implemented to promote two of the following: credit bureau reporting, micro-savings, micro-insurance, micro-agricultural lending, village banking, home improvement lending, agricultural insurance, and agricultural lending based on purchase order financing; and 1 workshop about financial products supported.

Year 2-3: Year 2: 4 instruments to promote four products; 1 workshop on products designed and 1 instrument to promote remittances and local transfers as instruments for financial inclusion; Year 3: 2 instruments to promote two products and 1 workshop on products designed will be organized.

**Task 2.7.3 Support the design and implementation of a debt relief program for IDPs and other conflict-affected populations. MODIFIED TO:**

**Task 2.7.3 Support the design and implementation of policies to promote access to financial services for IDPs and other conflict-affected populations.**

#### JUSTIFICATION

The Ministry of Interior and Justice is interested in promoting access to financial services for victims of the conflict in addition to the design and implementation of a debt relief program. The MoIJ requested support from the Program to design policies to facilitate access to finance to be included in the Victims Law.

The National Planning Department asked to remove the implementation of debt relief programs for IDPs which could generate perverse incentives and prevent the financial sector from lending to IDPs. The priority of the GOC is to promote access to financial services for victims and not only to implement debt relief programs.

- Year 1: 1 law. **INSERTED.**
- Year 2: 1 instrument designed. **INSERTED.**
- Year 2: 1 Decree/ regulation adopting the terms of the policies to facilitate access to financial services for IDPs / other conflict affected population. **INSERTED.**
- Year 1: 1 workshop with GOC CC magistrates, financial institutions, IDPs and other civil society members to explore debt relief alternatives. **DELETED.**
- Year 2: 1 input to the NDP for design of debt relief program for IDPs and an action plan; 1 manual and guideline on debt relief supervision guidelines; 1 decree/regulation adopting the terms of debt relief program. **DELETED.**

#### Activities and Related Milestones **INSERTED**

- Provide direct support to the GOC to design policies to promote access to financial services for IDPs and other conflict-affected populations to be included in the draft Victims' Law.
- Work with BDO in the design of policies and instruments to facilitate access to microfinance products for IDPs and other conflict-affected populations.

Performance Standards: 1 law. Victims Law

Years 2-5: Year 2: 1 policy instrument to promote access to financial services for victims and 1 decree/regulation implementing the law.

#### **Task 2.7.4 Promote land property acquisitions by farmers, IDPs and other conflict-affected populations**

#### JUSTIFICATION

The Program will work with the MOA to define the policy for funding land acquisition for landless workers, IDPs and other conflict-affected populations. In addition, the CELI projects are not operating yet and the priority for the GOC is to target beneficiaries of Red Juntos/Unidos and not focus on specific regions.

- 1 Policy instrument. **INSERTED.**
- Design and assist the implementation of one land acquisition pilot program in coordination



w/CELI. **DELETED.**

- Year 2: 1 input to the NDP for a program promoting funding of land acquisitions by landless workers, IDPs and other conflict-affected populations. **DELETED**
- Year 5: 4 pilot programs on land acquisition and \$30 M leveraged for fund land acquisition. **DELETED.**

### Activities and Related Milestones

- Work with the MOA to develop and implement an initiative to fund land acquisition by landless workers, IDPs and other conflict-affected populations that: encourages alliances between business integrators, agricultural processors, producer associations, wholesale markets and landless populations to fund land acquisition through purchase order finance.
- Organize a workshop to showcase success stories and lessons learned in the design of financial products and arrangements designed to fund land purchases by poor farmers and vulnerable populations.
- Design the strategies for financing land purchase by IDPs, landless agricultural workers, demobilized persons & other vulnerable populations.
- Provide technical assistance to develop policy instruments designed to expand land acquisition finance for landless farmers and vulnerable populations. The CPPP will place emphasis in ensuring that these financial schemes are suitable for single parent families, widows, and women.
- Develop strategic alliances with the private sector (producer associations, wholesalers and processors), banks & GOC agencies to fund land acquisition in USAID supported regions.

Performance Standards: None in year 1.

Year 2-3: Year 2: 1 workshop: success stories in financing land purchases in Colombia and other countries; 1 Policy Instrument for a program promoting funding of land acquisitions by landless workers, IDPs and other conflict-affected populations; 2 instruments will be designed and implemented to fund land acquisition by landless workers and conflict affected populations; 1 decree/regulation with policy/instruments to finance land purchase by IDPs, landless agricultural workers, demobilized persons and other vulnerable populations.

### Task 2.7.5 Support the development of financial products for Afro-Colombians and indigenous populations

**No Changes**

### Activities and Related Milestones

- Directly support BdeO & Oportunidades Rurales to increase access to financial services in collective lands and indigenous reservations, and to design and implement financial instruments that meet the needs of Afro-Colombians and indigenous populations.

- Generate advocacy for the implementation of products for Afro-Colombians and the indigenous populations.

Performance Standards: 1 instrument to increase financial presence and financial services in regions with Afro Colombian populations.

Year 2-3: Year 2: 1 instrument to increase financial presence and financial services in regions with Afro Colombian populations and 1 workshop with Afro-Colombian organizations to discuss financial needs and alternatives. Year 3: 1 instruments designed to increase financial presence and financial services in regions with Afro-Colombian populations.

**Task 2.7.6 Assist in the development of financial products for vulnerable populations that provide environmental services or engage in bio trading activities**

**No Changes**

**Activities and Related Milestones**

- Assist GOC to design and implement a policy instrument to encourage lending to vulnerable populations that are engaged in environmental services projects.

Year 2-3: Year 3: 1 instrument designed and implemented to support funding for environmental services or bio-trading activities.

**Task 2.7.7 Assist the Financial Superintendence in the regulation of new products and new channels to promote financial inclusion.**

**JUSTIFICATION**

**NEW TASK** One of the priorities of the Financial Superintendence is the development of regulations for financial products including micro-insurance, remittances and transfers. Considering that micro-insurance and remittances are prioritized in the National Development Plan, it is key that the Program support the GOC in these activities.

- 1 manual and guidelines for supervision of agricultural insurance **MOVED FROM 2.5.3.**

**Activities and Related Milestones**

- Micro-insurance: define required regulations.
- National and International Remittances: Document with analysis of national and international remittances to support the development of a new regulatory framework to facilitate the flow of these resources through the financial system; analyze policies to reduce costs of remittances and assist in

the development of the regulation required to open savings accounts and implement financial services for Colombians abroad.

- Agricultural insurance: support the design of guidelines for regulation and supervision of this product.

Performance standards: None in year 1.

Years 2-3: Year 2: 1 decree/regulation on new products.

Year 3: 1 manual and guidelines for supervision of agricultural insurance.

**Task 2.7.8 Assist in developing regulation and policies to alleviate flood impact on financial situation of population affected.**

**JUSTIFICATION**

**NEW TASK** The Ministry of Agriculture and Rural Development requested support from the Program in the design of credit policies to address the needs of the population affected by the floods.

**Activities and Related Milestones**

- Document providing recommendations to alleviate the financial situation of population affected by the natural disaster caused by flooding during the second half of year 2010.
- Document with recommendations to manage the use of government guarantees.
- Ongoing support for design of instrument to facilitate lending to population affected by the natural disaster caused by flooding.

Performance standards: 1 decree/regulation, 1 policy instrument and 1 instrument designed

## COMPONENT 3: POLICIES TOWARD CONFLICT-AFFECTED POPULATIONS

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**Overall Objective:** The Public Policy Program will provide comprehensive support and technical assistance to GOC implementation of the Victims Law and IDP policy frameworks. A team of multidisciplinary experts will support strengthening GOC capacity to prevent new displacements and violations of human rights, and provide emergency relief, integral attention and reparations to victims, including IDPs. The Program will assist the GOC in developing the GOC agency that will register, coordinate service delivery and make reparations to victims. Special emphasis will be placed in providing assistance to establish the criteria for differential treatment to victims, Afro-Colombians, and indigenous populations and develop a flexible response approach to GOC service delivery. Our teams will support the development of budgeting procedures consistent with a flexible response approach to victims' needs and the development of adequate interagency planning, program monitoring and impact evaluation procedures.

The PPP team will also support the adoption of new legislation and GOC policy for Persons with Disabilities (PWD). The new legal framework will be consistent with the UN Convention on PWDs. In turn, the PPP will provide support the Office of the Vice President, the Ministry of Social Protection and Red UNIDOS to improve information and characterize PWDs, determine their needs and adjust GOC programs and service delivery to meet the needs of PWDs.

The Program will provide comprehensive support to the GOC to develop affirmative action procedures and other policy instruments to encourage the inclusion of ethnic minorities and generate sustainable livelihoods for these population groups. The Program will place emphasis on supporting the design of procedures to provide incentives to improve access of Afro-Colombian and indigenous populations to tertiary education, extend financial networks and business services to areas with Afro-Colombian and indigenous populations, and improve opportunities for employment and sustainable income for these communities. The Program will also provide technical assistance to DNP, the Ministry of Interior and other GOC ministries and agencies to develop criteria to make GOC service delivery and the implementation of GOC programs for Afro-Colombians and indigenous populations more in tune with the needs and values of these communities. As part of this effort, the Program will assist the GOC in establishing differentiated attention in GOC programs for Afro-Colombian and indigenous communities and ensuring that service delivery is pertinent to the views and values of these communities. The Program will provide assistance to the GOC implementation of CONPES document 3660 that establishes the policy for Afro-Colombians, and will assist in the design of a policy framework for indigenous population. The Program will also serve as the technical secretariat of the GOC interagency committees that will coordinate the response of GOC agencies to Afro-Colombian and indigenous communities and the implementation of the Prosperity Agreements signed between different GOC agencies and ethnic minorities during the drafting of the National Development Plan. The Program will provide technical assistance to the GOC and Congress to adopt a series of key reforms for ethnic minorities including the social inclusion and affirmative action bill and the law that regulates the previous consultation process (Consulta Previa) with ethnic minorities. The Program will also provide assistance to draft and discuss the implementing decrees of Law 70 of 1993 that establishes the guidelines for Afro-Colombian community lands and will support the GOC efforts to develop a comprehensive policy for indigenous population.

The Policy Program will support the implementation of CONPES 3616 developed to promote sustainable livelihoods and income opportunities for vulnerable population and Colombians under extreme poverty conditions. The PPP will provide technical assistance to the High Commissioner for Social Prosperity,

DNP, and other GOC agencies to improve the access of vulnerable populations to financing, producer technical assistance and training. In addition, the Program will provide technical assistance and capacity building support to design incentives and policy instruments to develop business linkages between vulnerable population and market led value chains and large buyers for sustainable incomes. As part of this effort, the Public Policy Program will provide technical assistance to and promote Public-Private Partnerships (PPP) to generate sustainable livelihoods for vulnerable populations. Through these alliances, we expect to leverage \$50M from private institutions to support land acquisition, information technology and other community infrastructure development, and education and culture programs.

To promote the reintegration of conflict affected populations to community life and cease their displacement condition, the Program will provide technical assistance to incentivize and make compatible GOC social policies for the poor with GOC delivery of services and reparations to victims. The Program will provide assistance to strengthen the design of GOC IDP emergency relief, return and relocation programs to ensure that both IDPs and communities receiving IDPs enjoy adequate access to service delivery. To this end, the Program will provide recommendations to develop a territorial approach to service delivery to ensure that GOC programs invest in the development of communities that suffered displacement or are receiving IDPs. These investments will be designed to encourage bonding between conflict affected population and the wider community to rebuild the social fabric.

**Background:** National Development Plan 2010-2014 (NDP) has an ambitious policy reform agenda designed to promote prosperity and integrate vulnerable population and Colombians living in extreme poverty conditions to society. Chapter IV of the NDP proposes to implement a new system of social promotion to facilitate access to poor and vulnerable populations to the four elements of Social Protection System: Integral Social Security, physical assets, human capital investment and risk management. Positive action and equal opportunities for poor, IDP, ethnic groups and other underprivileged populations are included in this new policy framework. New activities will include the implementation of the new Social Protection System and the transformation of Red Juntos into UNIDOS. The Public Policy Program Vulnerable Populations Component Work Plan is designed to provide meaningful support to the GOC and organizations of vulnerable population to ensure that these objectives are fully met.

**Approach:** The Program has established a team of interdisciplinary experts that will provide support to a broad GOC policy reform agenda. These teams will provide direct technical assistance and mentoring to GOC agencies, assist in strengthening GOC information systems and institutions, including support to GOC interagency coordination mechanisms. The Program will also support broad discussion of GOC policy initiatives by supporting seminars with local and international experts, workshops with civil society organizations GOC agencies, policy debates with media leaders to raise awareness about the critical reforms being considered by the GOC, and strengthening of organizations of vulnerable populations to ensure that they can take an active part in the policy debate.

The Program will build on the new Victims legislation and the Constitutional Court AUTOS and GOC responses to these rulings to provide comprehensive support to the GOC Program for integral attention and reparations to victims. Special effort will be placed in integrating the GOC social protection programs designed to overcome extreme poverty and poverty in Colombia with the GOC integral attention and reparations programs for victims. On the supply GOC services to victims, the Program will provide support to make GOC programs and service delivery more flexible and incorporate a meaningful differential approach designed to ensure that victims fully exercise their constitutional rights. On the demand side, the Program will support the integration of IDPs and other victims to Red UNIDOS to map their needs and track progress until their displacement condition ceases. The integration of GOC service delivery networks ensures that victims and IDPs programs effectively reach these communities, that GOC response effectively meets the needs of vulnerable populations, the progress in meeting the rights of

conflict affected population is monitored and evaluated, that IDPs cease in their condition of displacement, and that communities affected by the conflict rebuild their bonds and social fabric.

The Program will place special efforts to ensure that GOC policies towards ethnic minorities are pertinent to the values and heritage of these communities and that special action is taken to promote the inclusion of ethnic minorities to the broader society. Given the particular conditions of community property and collective values of AfroColombian and indigenous communities, the Program will provide support to make GOC service delivery more in tune with these values. To this end, the Program will provide assistance to the different GOC agencies and interagency coordination mechanisms to redesign how GOC programs operate in community lands and indigenous reserves. Similarly, the Program will provide support to the GOC to develop special policy instruments to extend service networks and institutions to neighborhoods and areas where there is a large concentration of AfroColombian and indigenous communities underserved in Colombian cities.

In recent decades Colombia has made considerable progress in improving access of vulnerable population and the poor to social services. However, these groups and entire communities remain poor due to limited opportunities to generate sustainable income opportunities. The Program will provide broad support to the GOC to implement CONPES document 3616 and the National Prosperity Plan to generate sustainable incomes for the poor and vulnerable population. The Program teams will provide assistance at several levels. First, the Program will provide assistance to develop a conceptual framework designed to identify the local development traps that limit business opportunities and discourage investment in rural areas and poor urban neighborhoods. The Program will also provide assistance to extend financial networks, training, and business services to areas where poor and vulnerable populations are located and formalize their property and assets. Finally, the Program will provide assistance to develop policy instruments and mechanisms to generate business ties between micro, SMEs and small farmers and large buyers, agribusinesses, and competitive value chains to generate sustainable businesses and income opportunities for the poor and vulnerable populations. As part of these efforts, the Program will place emphasis in providing assistance to the GOC to inclusive business approaches, promote social responsibility, and encourage social innovation.

**Synergies with other components and USAID Programs:** Because of the focus on vulnerable populations by USAID, the objectives of the component cut across almost all other components. The following results and tasks will be closely coordinated with Component 3:

- Result 1.1 Land restitution policies developed and implemented
- Result 1.2 Formalized Property Rights, streamlined issuance and maintenance of land titles
- Result 1.4 Salas Agrarias and Salas de Restitution created and implanting agrarian jurisdiction through support to the CSJ (Consejo Superior de la Judicatura)
- Result 1.5 Improved land access and more efficient land markets
- Result 1.7 GOC Rural development policy adjusted, according to updated regulatory framework and improving management of key government services
- Result 2.7 Increasing supply of credit to vulnerable populations
- Result 4.4 Stronger local capacity to implement and manage national GOC programs
- Result 5.4 Special training programs for IDPs
- Result 6.4 Improved environmental land use management of indigenous reservations

**Counterpart Interfaces:** High Commission for Social Prosperity, Acción Social, National Planning Department, Ministry of Interior and Justice, Ministry of Finance, Ministry of Agriculture, Ministry of Education, Ministry of Social Protection, Ministry of Information Technologies, Ministry of

Environmental and Housing, Ministry of Trade, Sena (servicio nacional de aprendizaje), Fomipyme, Banca de las Oportunidades, and territorial entities (Departments and Municipalities).

**Rapid Start up activities:** Start up activities for this component will be driven by the timing of and coordination with other components and by changes that have occurred with the new government. Consequently, three results will have a higher priority in the first year:

- Provide support to the High Commission for Social Prosperity in the implementation of its National Plan for Social Prosperity and in the reform of Red Juntos (UNIDOS).
- Provide support to implement the Victims policy framework included in the Victims' Law in Congress.
- Provide recommendations to begin implementation of CONPES 3616 to improve livelihood and income opportunities for conflict-affected populations.
- Provide support to design and implement the regulatory decrees of the new Victims' law towards Afro-Colombians and Indigenous populations.
- Provide support to the drafting of the affirmative action law

## YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES

### JUSTIFICATION

All the changes in the Result 3.1 are the outcome of several meetings with the GOC discussing the agenda. Different agencies identified the new tasks included in this version, and the activities are linked to the Law for Victims. USAID input and priorities also contributed to the modifications to the original Work Plan.

### *Result 3.1: Comprehensive policy and institutional frameworks to prevent displacement and provide relief, integral support and reparations to IDPs and Victims*

#### **TASK 3.1.1 SUPPORT THE DEVELOPMENT OF THE INTEGRAL ATTENTION AND REPARATIONS PROGRAM FOR VICTIMS AND IDPs AT THE NATIONAL LEVEL**

##### **Activities and Related Milestones**

Support GOC Program for Integral Attention and Reparations to the Victims and IDPs:

- Support the approval of the Victims Law in Congress
- Support the GOC drafting of the implementing decrees of the Victims Law for Afro-Colombian and Indigenous Communities.
- Provide support to the GOC to develop the route to prevent displacement and violations of human rights, and to provide an effective framework for relief, recovery, relocation and returns of IDPs, and reparations to victims.



- Within the policy framework, support the GOC in the formulation of the policy instruments and documents which corresponds to each of the steps in the route towards GED: i. prevention and protection, ii. integral attention, iii. restitution and reparation and iv. relocation and voluntary returns.
- Through a combination of workshops and technical assistance the Program will seek to build consensus and provide support to the GOC to determine well defined criteria for IDP vulnerability cessation. The Program will also make best efforts to establish agreed criteria among the GOC, CODHES, and the courts on significant milestones to assess progress in the implementation of the route designed to prevent displacement and provide integral attention and repair victims.
- Provide support to establish differential treatment in the provision of key GOC services to ensure that victims and IDPs exercise their full constitutional rights. Emphasis will be placed in education, health, housing, sustainable income opportunities including job training, and social and psychosocial support to victims.
- Provide technical assistance to the GOC to develop a more flexible response to GOC service delivery for victims and IDPs. Emphasis will be placed in integrating the flexible response in service delivery approach with the development and implementation of municipal PIUs
- Through a series of workshops discuss the new legal framework (*Ley de Víctimas*) with IDPS and civil society and their proceedings on benefit entitlement and graduation criteria for IDP, truth, justice and reparations, flexible GOC response and service delivery, and differential treatment.

These activities will take into account gender differences and the need to include special treatment conditions for Afro-Colombians and Indigenous communities. The Program will provide special assistance to ICBF to design a comprehensive strategy to prevent youth recruitment and provide integral attention and reparations to Colombia conflict-affected youth.

Performance standards: 1 law, 1 decree-law, 6 workshops, 1 seminar, 2 Policy Document (GOC National Program on Integral Attention and Reparations to Victims), 5 policy instruments (education, health, job training, housing, psychosocial and mental health support).

Years 2: 1 CONPES, 1 Decree-law, 2 Policy instruments; 2 workshops, 1 seminar. Year 3: 2 institutional reforms, 2 workshops, 2 policy instruments, 1 seminar.

### **TASK 3.1.2: ASSIST IN DEVELOPING THE AGENCY RESPONSIBLE FOR COORDINATING THE NATIONAL PROGRAM ON INTEGRAL ATTENTION AND REPARATIONS TO VICTIMS**

#### **Activities and Related Milestones**

Support the GOC to establish the agency responsible for coordinating the implementation of the National Program on Integral Attention and Reparations to Victims:

- Based on the National Program on Integral Attention and Reparations to Victims determine the agency structure, organizational structure, personnel needs, job descriptions and personnel skill requirements.
- Develop procedure manuals for the key tasks to be performed by the new agency.
- Develop training guidelines for officials of the new agency.



- Establish mechanisms and procedures to implement at the national level interagency coordination with other GOC agencies and departmental and municipal governments.

Performance standards: 1 institutional reform, 1 decree, 5 manuals and guidelines, 5 workshops, and 1 seminar.

Years 2: 3 manuals and guidelines and 3 workshops.

### **TASK 3.1.3: ASSIST IN ESTABLISHING AND STRENGTHENING THE NATIONAL SYSTEM OF INTEGRAL ATTENTION AND REPARATIONS TO VICTIMS (SNARIV)**

#### **Activities and Related Milestones**

The Program will provide assistance to improve information systems to conduct more adequate planning, budgeting, program implementation and monitoring and evaluation procedures that are consistent with the GOC flexible response in service delivery policy.

- The Program will provide support to strengthen the SNARIV information systems. This includes support to integrate the RUPD and INFOJUNTOS as well as other GOC information systems to ensure that there is complete coverage of displaced population and other victims in INFOJUNTOS and the INFOJUNTOS surveys include questions and assessments of family needs in terms of displacement prevention, and differential treatment in service delivery to IDPs, victims in general and ethnic minorities, women and youth. Emphasis will be placed in improving the registration procedures for victims and integrating the registry to INFOJUNTOS.
- Assist the GOC in fine-tuning the methodology used to characterize IDPs and victims in general and determine their service delivery and differential treatment needs.
- Based on the characterization of IDPs and other victims, strengthen the SNARIV processes and procedures to plan, budget, implement, and monitor progress and evaluate the effectiveness of GOC policies and programs in ceasing the condition of vulnerability of IDPs and other victims. Program assistance will include recommendations to effectively integrate municipal PIUs to the planning process and ensure that output indicators are developed to measure progress in the implementation of PIUs.
- Based on the IDP and victim characterization exercise, assist the GOC in developing the multi-year budget for IDPs and other victims.
- Establish a set of standards and criteria required by municipalities to receive GOC transfers and implement programs for IDPs and other victims at the local level. The PPP will also provide assistance to develop the procedures to certificate municipalities.
- Develop manuals and guidelines to plan and implement GOC policy. These manuals and guidelines include processes and procedures to be followed by municipal and departmental governments.
- Develop a municipal and departmental training and capacity building program.

Performance Standards: 2 institutional reforms; 2 policy instruments; 1 information system; 1 manual and guidelines; 3 workshops.

Years 2: 2 institutional reforms; 2 Manual and Guidelines; 2 Workshops; 1 information system. Year 3: 1 Decrees/Regulations; 1 institutional reform; 1 Manual and Guidelines; 1 Workshop.

### ***Result 3.2: Strengthen the PWD Policy Framework***

#### **JUSTIFICATION**

The changes included in the following Result were suggested by USAID and some were discussed with the GOC. The changes include strengthening local authorities and address the differentiated approach on victims with disabilities.

### **TASK 3.2.1: SUPPORT IMPLEMENTATION OF UN CONVENTION ON PWD RIGHTS**

#### **Activities and Related Milestones**

- Coordinate and organize a workshop with best international and local practices to implement the UN Convention on the Rights of PWDs.
- Develop recommendations for year one action plan for the implementation of the UN Convention on the Rights of PWDs, with special emphasis on conflict-affected population.
- Develop manuals and guidelines for new local authorities to strengthen their capacity to adjust their service delivery to the needs of PWDs. Special emphasis will be on public services including education, justice and access to transportation.

Performance Standards: 1 manual; 1 workshop on local or international best practices.

Years 2: 1 policy document.

### **TASK 3.2.2: SUPPORT THE STRENGTHENING OF THE NATIONAL SYSTEM FOR DISABILITY**

#### **Activities and Related Milestones**

The National System for Disability was created by Law 1145/2007, and calls for the creation of committees at the national, departmental, and municipal levels. These committees are designed to serve as the official voice of advocacy for PWDs, their rights, and their needs.

- Assist the Colombian government in the permanent establishment of committees at the departmental and municipal levels.
- Develop a manual or guidelines on effectively management and programming of a disability committee.

Performance Standards: 1 manual; 2 workshops on international best practices (places will be quantitative selected, proportion of population with disabilities).

Years 2 and 3: 1 manual; 5 workshops on management and programming of a disability committee (criteria of selection can change accordingly with the results of the first 2).

### **TASK 3.2.3: SUPPORT FOR IDPs WITH DISABILITIES**

#### **Activities and Related Milestones**

Auto 006 was issued by the constitutional court in January, 2009. Its primary purpose is to ensure protection of displaced PWDs, as well as prevent further displacement of PWDs. It also lays out a more holistic action plan regarding the rights of PWDs, and the responsibility of the government to ensure those rights.

- Develop recommendations for a policy document on displacement prevention of PWDs.
- Develop guidelines on how to meet GOC responsibilities, including those outlined in Auto 006.

Performance Standards: no performance standard.

Years 2 and 3: 1 policy document to strengthen the PWD policy framework; 1 manual and guideline on how to meet GOC responsibilities including responsibilities outlined in Auto 006.

#### ***Result 3.3: Improved livelihoods and income opportunities for Conflict-Affected population***

“Result 3.3 Programs developed to promote the reconciliation and peaceful coexistence of demobilized troops with communities and victims” was DELETED after discussions with USAID.

#### **JUSTIFICATION**

The High Commissioner has requested support for the design and implementation of the National Plan for Social Prosperity. The support is included in this Result under income opportunities for population affected by the conflict who are also beneficiaries of the social prosperity policy in the National Development Plan.

**DELETED:** “instrument with detailed design of policy instruments and programs and ongoing assistance for implementation; National Development Plan”. The GOC has prioritized the implementation of the current policy document on income generation for the extreme poor and IDPs.

The Public Policy Program will provide comprehensive support and assist in implementing CONPES 3616 in conflicted areas to generate sustainable income opportunities for conflict-affected populations to reduce these groups dependency on humanitarian assistance, and assist in their resettlement and peaceful coexistence. To obtain this result, the following task will be implemented:

### **TASK 3.3.1: SUPPORT THE IMPLEMENTATION OF PROGRAMS THAT PROMOTE INCOME OPPORTUNITIES FOR CONFLICT AFFECTED POPULATIONS**

#### **Activities and Related Milestones**

The Public Policy Program will assist the GOC to enable business environments in conflicted areas and strengthen private sector and consumer involvement in establishing business linkages and creating income opportunities for conflict-affected populations.

- Develop guidelines and interagency coordination to implement Conpes document 3616 on aspects related to conflict-affected populations.
- Recommend guidelines and methodology to identify and overcome local poverty traps
- Recommend guidelines and policy instruments designed to promote financial networks and business development services in areas with large concentration of vulnerable population, ethnic minorities, and Colombians living in extreme poverty conditions.
- Develop policy instruments designed to link vulnerable population and population under extreme poverty with competitive value chains, large buyers and wholesale markets.
- Best practices on corporate social responsibility and sustainable income opportunities for vulnerable populations.
- Criteria to develop special provisions designed to promote women in business and allow single parent families to develop sustainable incomes.
- Strengthen the GOC legal framework (anti-discrimination policies applicable to Colombia and, specifically companies operating in Colombia) to promote greater equal employment opportunities and diversity practices in the work place for the Afro-Colombian, Indigenous communities, women, and disable persons.

Performance Standards: 2 workshops on social responsibility and sustainable income opportunities for vulnerable populations; 2 policy instruments.

Years 2: 1 policy instrument; 1 workshop on social responsibility and sustainable income opportunities for vulnerable populations; 1 guidelines to implement document 3616 on aspects related to conflict-affected populations. Year 3: 1 workshop on social responsibility and sustainable income opportunities for vulnerable populations.

#### ***Result 3.4: Policy framework designed to encourage inclusion and cohesion of ethnic minorities and service delivery improved for Afro-Colombians and Indigenous populations***

##### **JUSTIFICATION**

The work plan reflects a change in support for CONPES 3310 to CONPES 3660 which is the most recent CONPES affecting Afro-Colombians.

**Included** at the request of the MoIJ: We have included a “Document with recommendations to GOC for the design of decrees-law regulating the *Ley de Víctimas* for Afro-Colombians and indigenous

communities”; “Support the GOC with the design of the regulation for the *Consulta Previa* process with ethnic groups”; “Assessment of budget administration by indigenous communities’ (resguardos) to capacity strengthening needs of these communities to manage the budget.

**DELETED:** Instrument aimed at improving access of Afro-Colombian and indigenous populations to housing: (Not a GOC priority).

The Program will support the implementation of CONPES 3660 that establishes the GOC policy to promote social inclusion of Afro-Colombians through a statutory law on affirmative action, and the implementing decrees of Law 70 of 1993. The program will also support the development of a comprehensive policy designed to promote the livelihoods of indigenous communities and will support the implementation of the National Development Plan prosperity agreement between GOC agencies and Afro-Colombian and indigenous communities to ensure that GOC policies and programs adopt a flexible response and differentiated approach to service delivery in areas where there is Afro-Colombian and Indigenous community lands or in urban neighborhoods with large ethnic minorities. The Program will provide assistance to develop comprehensive *Consulta Previa* legislative framework that clearly regulates the consultation process with Afro-Colombian and indigenous communities.

The Program will develop manuals and guidelines that adopt lessons learned and best practices on the municipal management of services where there is Afro-Colombian and indigenous communities to identify how programs aimed at improving service delivery best respond to their needs.

#### **TASK 3.4.1: ASSIST THE IMPLEMENTATION OF GOC POLICIES FOR AFRO-COLOMBIANS AND INDIGENOUS COMMUNITIES**

The support for to the Victim’s Law is included in Task 3.1.1 and is also in Tasks under Component 1. For this reason, we are not including it again as an additional activity under this Task.

##### **Activities and Related Milestones**

- Document with recommendations to the GOC law introducing affirmative action for Afro-Colombians in the context of CONPES 3660. The document will contain specific recommendations designed to promote access of Afro-Colombians to finance and tertiary education. The document will also recommend affirmative action mechanisms that increase the opportunities of Afro-Colombian to public and private employment, and establishes incentives for private firms and institutions that hire ethnic minorities and promote ethnic diversity.
- Document with recommendations to the GOC for the formulation of the implementing decrees of Law 70 of 1993. Support will include the work plan for implementation and development of the regulations.
- Support the GOC with the design of the legal framework governing the *Consulta Previa* with ethnic minorities. The proposed recommendations will be developed in close consultation with ethnic minorities.
- Assess the process of budget allocation from the central government to the *cabildos* and analyze the progress made by indigenous communities in the management of GOC budgetary transfers to identify best practices and lessons learned, and draw recommendations to strengthen indigenous reserves and *cabildos* in the provision of social services.
- Assist the GOC in developing a policy framework that promotes the livelihoods of indigenous communities.

- Develop a series of documents with recommendations to make GOC service delivery more responsive to the needs of Afro-Colombian and indigenous communities. To develop these policy documents the Program will serve as a technical secretariat to the interagency committees that have been formed to implement the social prosperity agreements signed by the GOC with ethnic communities during the consultation of the National Development Plan.
- Manuals and guidelines on improved service delivery for Afro-Colombians and indigenous communities at the municipal level considering types of municipalities (number of inhabitants) and the incidence of rural-urban areas.

Performance Standards: 2 laws; 2 decrees; 1 seminar; 3 policy instruments; 6 workshops 2 institutional reforms.

Years 2: 2 decrees, 3 policy documents; 1 Institutional Reforms; 1 policy instruments; 1 seminar. Year 3: 1 manuals and guidelines; 4 workshops.

### ***Result 3.5: Participation of conflict-affected populations in policy and program design***

The Public Policy Program will assist the GOC in developing a strategy to enhance the participation of conflict-affected populations in the policy making process.

#### **TASK 3.5.1: PROMOTE THE PARTICIPATION OF CONFLICT-AFFECTED POPULATIONS IN POLICY AND PROGRAM FORMULATION AND IMPLEMENTATION**

##### **JUSTIFICATION**

The inclusion of the policy for participation was requested by Acción Social to promote participation mechanisms for vulnerable populations.

#### **Activities and Related Milestones**

- Design a document containing proposed strategy, implementation plan to encourage IDP participation in policy development, oversight and control
- Conduct workshops designed to train and strengthen conflict-affected populations in the policy process.
- Develop training manuals to increase participation of conflict-affected populations in the policy process.

Performance Standards: 1 workshop, 1 seminar

Years 2: 1 Policy instrument designed & implemented; 1 policy instrument; 1 Manual; 2 Workshops. Year 3: 3 workshops designed to train and strengthen conflict-affected populations

## **COMPONENT 4: SUPPORT FOR DECENTRALIZATION AND IMPROVED PUBLIC AND ECONOMIC MANAGEMENT.**

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**Overall Objective:** The objectives of Component 4 are to a) clarify roles and responsibilities between levels of government; b) strengthen small municipalities; c) introduce sound policy, legal and budgetary frameworks to improve the delivery of services, promote good governance, and enable the business environment in rural areas; and d) support institutional reform to improve government transparency and encourage citizen participation in governance and policy/program oversight.

**Background:** With the completion of the first 100 days of the Santos administration, the bases of the National Development Plan have been established and some of the critical legal initiatives envisioned in the PWS have already been presented to Congress. The Public Policy Program, therefore, will support these initiatives, while responding to new GOC priorities and initiatives that are in line with the Program's scope of work and budget. The NDP is focusing on several new initiatives, including "Good Governance" and the "Regional Convergence" (creating regional homogeneous development areas), along with the "Peace Consolidation" (including security). In addition, the legislative agenda has placed high priority on issues closely linked to territorial development, including the Royalties Law, the Land Law (which includes a key chapter on regional Rural Development), and the Land Use Management Law..

The 2011 work plan outlines the first phase of the Rural Development strategy, as well as the National Consolidation Policy, in coordination with the "Alto Asesor para la Seguridad Nacional", a high level position created by President Santos. The National Consolidation Policy includes essential elements of inter-agency coordination that will positively impact implementation in the regions. The work plan also aims to improve sub-national public management capacity and to strengthen the public employment through the recently created High Commission on Good Governance and Administrative Efficiency.

**Approach:** Component 4 will work simultaneously on two tracks to: 1) articulate policies, programs and resources at the national level to improve the effectiveness and efficiency of services to the regions; b) support the implementation of policies in the territories, through the design and support of pilot projects implemented by other USAID funded programs. This component will provide technical assistance to build the capacity of local governments by designing and implementing instruments, procedures and providing training. The component will also facilitate and improve inter-agency coordination and capacity to implement national policies and services at the regional level. The team will work to improve competitiveness, and support agriculture and small and medium enterprise (SME) programs to make them more responsive to the local needs of small-scale farmers and vulnerable populations. The Program will draw from international best practices and lessons learned to establish models and methodologies that are appropriate for the Colombian context.

**Synergies with other components and USAID Programs:** This component will closely coordinate with the other Public Policy Program components to maximize impact, optimize resources and to holistically address key issues:

- Land Use Management (4.4.2-1.5.2) activities, such as the use of cadastres at the regional level (4.1.3-1.4.2); (4.4.2-6.4.1); together with the Environmental Policy component the Program will address land use issues for indigenous reservations promoting the sustainable use of natural resources
- Rural Development – (4.4.4 is linked to Access to Finance, Component 2, to design and support policy and tools for agriculture production and rural beneficiaries (4.4.4-2.2.2, 2.4.2, 2.5).



- In support of IDP Policy, Component 4 will deliver key recommendations for achieving sustainable income opportunities in focused regions through the application of tools designed and adapted to local government conditions (4.4-3.1.1).
- Income generation through employment will be fostered through institutional strengthening of regional governments in coordination with Task 5.4.1. under the Labor Policy component, which supports job training and matching programs for IDPs.

#### **Rapid start up activities:**

To respond to GOC priorities, the follow activities are being launched immediately:

- 4.1.3 Help improve the use of cadastres at the municipal and departmental levels
- 4.1.4 Help strengthen the legal and regulatory framework governing royalties from extractive industries.
- 4.2 Improved Management of Key Government Services in National Consolidation Zones
- 4.3 Improved expenditure efficiency and the budgeting regulatory framework
- 4.4.2 Support improved land use management
- 4.4.3 Help develop departmental and municipal infrastructure funding strategies
- 4.4.4 Support the improved management of key government services
- 4.5.1 Promote vocation for public service, supporting efforts to modernize public employment policies and strengthen the Civil Service Administrative Sector
- 4.7.1 Assist in developing an action plan to strengthen municipalities

## **YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES**

The modifications proposed in the Work Plan for the Component 4 are based on: a) the prioritization of the Results and Tasks in accordance with the importance established by the new government; b) the re-organization of some activities depending on the “client” institution in the Government, re-organizing the way the Program manages the relationship with the GOC, and c) the more effective structuring of the results, taking advantage of synergies, as well as more efficiently allocating the technical and financial resources of the Program.

### ***Result 4.1 National-level policies that improve regional ability to generate and track revenue***

#### **TASK 4.1.1: HELP STRENGTHEN THE LEGAL AND REGULATORY FRAMEWORK GOVERNING THE COLLECTION OF TAX AND NON-TAX REVENUES**

##### **Justification:**

**DELETED** the real estate tax reform, which will now be developed under task 4.1.2.

**MODIFIED:** Activity (a) to include alternative mechanisms—not limited to- a system for unifying the tax and non-tax revenue management and collection procedures in the municipalities and departments.

Performance Standards: the Input to the National Development Plan (NDP) was eliminated because when the Program started the NDP had already been completed.



**MERGED** Task 4.1.5, into this Task (4.1.1), as they are similar. For this reason, the Performance Standards for Task 4.1.5 were included into this task. The number of Manuals and Guidelines increased to 3, and pilot programs were reduced from 5 to 2 under 4.1.5 task.

### Activities and Related Milestones

*Note: Some of the proposed deliverables are not expected to be finalized until Years 2-3, but activities will begin in Year 1*

- Conduct a detailed assessment of existing legal frameworks/regulation for revenue collection, including taxes, transfers, fees and royalties, and develop recommendations for designing mechanisms for unifying the tax and non-tax revenue management and collection procedures in the municipalities and departments (in coordination with Result 4.7).
- Conduct a seminar on best practices in sub-national government revenue collection and transparency in revenue use reporting (in coordination with Result 4.7).
- Develop legal recommendations and a decree or regulation to improve revenue collection, provide juridical stability and predictability, and improve reporting procedures on revenue collection and use.
- Draft regulation manuals and guidelines for revenue collection, reporting and transparency, for municipalities and departmental governments (In coordination with Result 4.7).
- Develop Fiscal Transparency Guidelines.
- Publish and distribute the Fiscal Transparency Guidelines and develop a GOC training of trainers (TOT) program (in coordination with Result 4.7).
- Assist CIMIENTOS and other USAID funded programs to implement revenue collection, management, and reporting pilot programs in departmental and municipal governments.

Performance Standards: 1 Seminar; 1 Workshop

Years 2-3: Year 2: 1 decree/regulation, 3 manual and guidelines, 1 workshop. The 2 pilots will be designed and implemented by Year 3 .

### **TASK 4.1.2: SUPPORT THE DEVELOPMENT OF A COMPREHENSIVE SUB-NATIONAL GOVERNMENT TAX REFORM**

**Justification:**

The activity related to the reform of the real estate taxes reform was moved from Task 4.1.1, as it is tied to the framework of a comprehensive sub-national government tax reform.

Performance Standards: the Input to the National Development Plan was eliminated because when the Program started the NDP had been completed.

### Activities and Related Milestones

*Note: Some of the proposed deliverables are not expected to be finalized until Years 2-3, but activities will begin in Year 1*

- Conduct a detailed assessment of sub-national taxes (including real estate taxes, sales tax, and property registration) and their impact on revenue collection and competitiveness. Assess the impact of existing tax distortions on land use.
- Develop recommendations to reform the real estate taxes, in order to increase the minimum (floor) taxable property value.
- Develop recommendations for the reform of tax structures to improve revenue and promote efficient, sustainable use of land and natural resources.
- Based on assessment and recommendations, draft a sub-national tax structure reform law
- Prepare, organize and develop one workshop with public officials on laws and regulations
- Conduct workshops with CSOs on sub-national government tax reform.

Performance Standards: 1 Law; 1 Workshop

Years 2-3: Year 2: 1 Decree or regulation; 1 seminar and 3 workshops will be conducted.

### **TASK 4.1.3: HELP IMPROVE THE USE OF CADASTRES AT THE MUNICIPAL AND DEPARTMENTAL LEVELS**

#### **Justification:**

Deleted Performance Standard: Input to the National Development Plan

The 5 pilots planned under this Task were moved to Result 4.7 in order to develop pilots in the municipalities that include not only the use of cadastre but also all other capacity strengthening activities for the sub-national governments included in Result 4.7.

#### **Activities and Related Milestones**

- Conduct a detailed assessment of the legal and regulatory framework of the cadastre and departmental and municipal capacity to use the cadastre.
- Develop a decentralized approach to updating the cadastre with close involvement of local governments in the process
- Develop recommendations to improve the use and management of the cadastre for land use planning, agriculture information systems and agriculture technical assistance
- Assist the GOC in structuring a CONPES that improves the management and use of urban and rural cadastre systems.
- Prepare a study on the constraints, mechanisms and best practices to improve the use and management of the cadastre for land use planning, agriculture information systems and agriculture technical assistance. (In coordination with Result 4.7).

- Identify best practices for use of cadastral information and conduct a seminar and subsequent report for sub-national officials.

Performance Standards: 1 Seminar

Year 2: 1 CONPES. 1 decree/regulation will be completed and 3 manuals and guidelines developed.

#### **TASK 4.1.4: HELP STRENGTHEN THE LEGAL AND REGULATORY FRAMEWORK GOVERNING ROYALTIES FROM EXTRACTIVE INDUSTRIES**

##### **Justification:**

The royalties' reform is one of the highest priorities of the MOF and the process of collecting information and developing the technical studies needed to support the reform are already starting. For this reason, the performance standards of this Task should be achieved in years 1 and 2.

The Input to the National Development Plan was deleted.

##### **Activities and Related Milestones**

*Note: Some of the proposed deliverables are not expected to be finalized until Years 2-3, but activities will begin in Year 1*

- Conduct an assessment and draft recommendations to reform the royalties framework, including analysis of the structure and use of the funds that will be generated by the law (e.g., regional, stabilization and savings, R&D) and the main regional macro-projects that would be promoted with those funds (In coordination with Result 4.4.3).
- Draft proposed legal reforms to improve the regional distribution and sector allocation of royalties in Colombia and develop transparency guidelines for reporting royalty use in funding capital spending projects and service provision at the sub-national level.
- In coordination with the GOC, evaluate risks and impact of the regional distribution and allocation of royalties.
- Provide support for the consolidation of a final version of the law and facilitate dialogue with GOC and the Congress.
- Draft 2 decrees or regulations to improve the use of royalties and regulate the structure and operation the funds established by the law, as well as the institutional implementation structure.
- Produce a seminar and report on the best use of royalties with participation of sub-national officials.
- Conduct a workshop with sub-national governments and GOC to reach consensus on reform; one workshop with civil society on allocation priorities for royalties to fund services and capital spending projects; and one workshop with the media to royalty use and needed reforms.

Performance Standards: ; 1 Law; 1 Workshop

Years 2-3: Year 2: 2 decree/regulations; 1 Seminar and 2 workshops.

#### **TASK 4.1.5: GUIDE THE IMPLEMENTATION OF REVENUE COLLECTION AND MANAGEMENT PILOT PROGRAMS**

##### **Justification:**

This Task was merged with Task 4.1.1 Help Strengthen the Legal and Regulatory Framework Governing the Collection of Tax and Non-Tax Revenues

#### **Result 4.2: Policy framework for the Extractive Industries Transparency Initiative (EITI)**

##### **TASK 4.2.1: ASSIST WITH THE DEVELOPMENT OF A LEGAL FRAMEWORK TO IMPLEMENT THE EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)**

##### **Justification:**

Result Deleted: The GOC has not prioritized this initiative as a policy to be developed with the support of the USAID Public Policy Program. The GOC has decided to focus all efforts, on the reform of royalties from extractive industries' legal framework. (Task 4.1.4).

The Performance Standards proposed in the new Result 4.2 will replace the ones initially planned under this Result.

#### **Result 4.2 Improved Management Of Key Government Services in National Consolidation Zones**

##### **TASK 4.2.1: ASSIST GOC IN THE STRATEGIC REVISION OF THE TERRITORIAL CONSOLIDATION NATIONAL POLICY**

##### **Justification:**

NEW Result: This Result reflects the highest priority established by both, GOC and USAID. The Program will only support the first phase which will take place during Year 1; the budget will not support additional activities in Years 2 and 3.

##### **Activities and Related Milestones**

- Provide expert advisors to the GOC, specifically the High Commissioner for National Security, to revise the National Consolidation Policy, integrating it with the Democratic Prosperity vision of the National Development Plan, and improving interagency coordination.
- Facilitate the design, regulation and definition of the institutional agreements and organizational structure of the National Consolidation Policy, in accordance with the Strategic Revision exercise and support the development of the corresponding decree.
- Advise the GOC, in coordination with the sub-national governments, in the re-design of the Regional Consolidation Plans.

- Assist the GOC in designing and implementing budgeting models and methodologies for the National Consolidation Policy that improve interagency coordination and linkages between national and sub-national programs and resources.
- Support the GOC in the design and implementation of a quantitative and qualitative Evaluation System for the National Consolidation Policy, including the definition of indicators and monitoring procedures for all the agencies involved.
- Consult with the High Commissioner for Good Governance and Administrative Efficiency to design and implement a strategy to coordinate interagency policies, programs and competences under the National Consolidation Policy.
- Support the GOC in the coordination and implementation of the National Consolidation Strategy.
- Develop a set of 2 manuals and guidelines to assist in the implementation of the National Consolidation Policy, taking into account the contexts of the Consolidation Zones and the multiplicity of agencies involved in the implementation.

Performance Standards: National Development Plan, 1 Institutional Reform, 1 Decree, 3 Workshops, 2 manuals and guidelines and 1 seminar.

### **Result 4.3: Improved expenditure efficiency and the budgeting regulatory framework**

#### **TASK 4.3.1: ASSIST IN THE REFORM OF THE BUDGET'S LEGAL AND REGULATORY FRAMEWORK**

##### **Activities and Related Milestones**

*Note: Some of the proposed deliverables are not expected to be finalized until years 2-3, but the activities will begin in Year 1*

##### **Justification:**

Task 4.3.1 has no changes except for the elimination of the Input to the National Development Plan.

- Based on USAID, World Bank, and International Monetary Fund (IMF) assessments and additional analyses and in coordination with the National Comptroller's Office, develop an action plan for reform of the budget framework.
- Using information from technical studies evaluating alternatives to the existing budget framework, develop legal modifications to the existing budget framework.
- Provide technical assistance to the MOF and DNP to identify and implement institutional reforms needed for the proposed budget framework
- Conduct a seminar with national and sub-national officials on best budgeting practices and interagency coordination.
- Conduct a workshop on the importance of budget process reform with members of congress and civil society and conduct a workshop with media on budget process reform.

Performance Standards: 1 Law, 1 Workshop

Years 2-3: Year 2: 1 seminar and 1 workshop, and 2 decrees/regulations . Two institutional reforms will be completed by Year 3.

### **TASK 4.3.2: ASSIST THE GOC IN IMPROVING INVESTMENT PROJECTS FORMULATION AND EXPENDITURE EFFICIENCY**

*Note: Some of the proposed deliverables are not expected to be finalized until years 2-3, but the activities will begin in Year 1*

#### **Justification:**

The GOC has prioritized the design and implementation of methodologies to improve the design of the processes for developing investment projects as an essential mechanism to increase the efficiency of GOC expenditures at the national and sub-national level.

The Performance Standards change because no Institutional Reforms are required and instead we are proposing the development of 2 new Manuals and Guidelines. In addition we are reducing the pilot projects from 5 to 2.

#### **Activities and Related Milestones**

- Design methodologies for improving the formulation of investment projects, which increase the efficiency of expenditure planning, executing monitoring and evaluation of results and impact.
- Identify needed reforms and develop an action plan to implement the methodologies for designing investment projects
- Develop manuals and guidelines with methodologies
- Support other USAID funded programs in the implementation of pilot programs.

Performance Standards: None expected in Year 1

Years 2-3: 2 Manuals and Guidelines, 2 pilots will be completed in Year 3

### **TASK 4.3.3: ASSIST THE GOC IN IMPROVING THE COORDINATION AND BUDGET PROCESS OF KEY GOC INITIATIVES**

#### **Activities and Related Milestones**

*Note: Some of the proposed deliverables are not expected to be finalized until Years 2-3, but activities will begin in Year 1*

#### **Justification:**

This Task will be maintained as planned and the 3 institutional reforms will be determined by mechanisms developed to facilitate the coordinated budgeting process for interagency programs, such as Red Juntos, SNAIPD, and National Consolidation Policy—NCP. The NCP has been prioritized by the GOC instead of the SNC.

Performance Standards: The pilot projects were reduced from 5 to 3

- Assess budgeting processes for Red Juntos, SNAIPD, and NCP and develop a set of recommendations for improvement including interagency planning, budgeting, monitoring and evaluation.
- In coordination with GOC, design a budget process for initiatives that require coordinated implementation between multiple GOC agencies, and structure alternatives and scenarios to improve the budget process for Red Juntos, SNAIPD and the NCP
- Draft laws or decrees to regulate the designed budget processes for Red Juntos, SNAIPD and the NCP, for interagency coordination, and implementing the required institutional reforms for coordinating budgeting among different agencies.
- Coordinate with other USAID funded programs to implement pilot programs.
- Conduct a workshop on interagency budget coordination.

Performance Standards: 2 Workshops

Years 2-3: Year 2: 2 institutional reforms and conduct 1 workshop. Year 3: 1 institutional reforms will continue and 3 pilots will be completed

#### ***Result 4.4: Stronger local capacity to implement and manage national GOC programs***

##### **TASK 4.4.1: ASSIST IN DEVELOPING NEW DEPARTMENTAL AND MUNICIPAL REGIMES AS PART OF A DECENTRALIZATION STATUTE**

##### **Justification:**

The name of Task was changed in order to make it more in line with GOC interests. In addition, the Input to the National Development Plan was deleted.

##### **Activities and Related Milestones**

- Assess and recommend reform of the legal, regulatory and policy frameworks to strengthen the decentralization process by developing a new departmental regime and a new municipal regime that improve the allocation of responsibilities between national and sub-national governments.
- Develop recommendations, based on Colombian and international best practices, for drafting and adopting a new departmental regime and a new municipal regime, as part of a decentralization statute that improves regional planning capacities.
- In coordination with the GOC, study alternative structures and allocation processes.
- Assist the GOC in drafting the departmental and municipal regimes (organic laws).
- Conduct a seminar on strengthening local government capacity and allocation of responsibilities between levels of government.

- Conduct a workshop on decentralization with civil society and sub-national governments.
- Conduct a workshop with the media on legal and regulatory reform.

Performance Standards: 1 Seminar; 1 Workshop

Years 2-3: Year 2: 1 law, 2 implementing decrees/regulations, and 1 workshop.

#### **TASK 4.4.2: SUPPORT IMPROVED LAND USE MANAGEMENT**

##### **Justification:**

The activities planned under this Task will be developed in close coordination with the activities under Task 4.1.3 Help Improve the Use of Cadastres at the Municipal and Departmental Levels and Result 4.7. The Input to the National Development Plan was eliminated and the pilot projects reduced from 7 to 2. Most of the Performance Standards will be achieved during years 2 and 3.

##### **Activities and Related Milestones**

- Assess the land use planning legal framework and practices at the national, departmental and municipal levels, as an input to the current law under development by the GOC.
- Develop reform recommendations and an action plan based on Colombian and international best practices in coordination with the GOC and sub-national governments that addresses land use planning, including a strategy to structure Regional Development Plans in accordance with the *Planes de Ordenamiento Territorial* (POTs) and make land use planning the cornerstone of public and private decision making for productive activities. Land use plans will provide agronomical information and information on crops best suited for land conditions (In coordination with Result 4.7).
- Identify legal and regulatory reform recommendations for strengthening the land use management framework, utilizing the cadastre as the main tool for municipal planning, interagency coordination of programs, and co-financing initiatives (In coordination with Task 4.1.3 and Result 4.7).
- In coordination with the GOC, draft 2 decrees to regulate the law currently being developed by the GOC, and for strengthening information sharing between IGAC, the MOEH, Regional Environmental Authorities, INCODER and municipal and departmental authorities. The decrees will help to plan producer technical assistance and extension services, title property, and in issuing licenses and environmental management plans.
- Identify institutional reforms needed to strengthen land use management at municipal level and propose alternatives and scenarios for the institutional agreements needed to strengthen land use management at the municipal level.
- Develop and publish 4 sets of manuals and guidelines for strengthening land use management and planning (cadastre) at the municipal level, including planning producer technical assistance and extension services, property titling, licensing, environmental management plans, interagency coordination and co-financing initiatives (In coordination with Task 4.1.3 and Result 4.7).
- Develop a training of trainers (TOT) program for GOC officials.



- Conduct 4 workshops on land use management with municipalities and departmental governments.
- Support other USAID funded programs in implementing land use management pilots.

Performance Standards: 1 Manuals and Guidelines

Years 2-3: In Year 2: Implement 2 decrees/regulations, develop 2 manuals and guidelines, and 3 workshops. In Year 3: Two Institutional reforms, 1 manual and guidelines, 1 workshop, and 2 pilots designed.

#### **TASK 4.4.3: HELP DEVELOP DEPARTMENTAL AND MUNICIPAL INFRASTRUCTURE FUNDING STRATEGIES**

##### **Justification:**

This Task has no significant changes, however the expected scope has increased. The scope will now include funding strategies for any infrastructure and maintenance project in municipalities and departments, and not just for secondary and tertiary roads.

The Input to the National Development Plan was eliminated and the pilot projects were reduced from 5 to 2. Most of the Performance Standards will be achieved in years 2 and 3.

##### **Activities and Related Milestones**

- Conduct an assessment and develop recommendations and an action plan to improve program design, funding and contracting of infrastructure construction and maintenance, e.g. for secondary and tertiary (municipal and departmental) roads.
- Draft regulatory reform recommendations.
- Provide technical advisors to the GOC to develop mechanisms for funding and contracting of infrastructure construction and maintenance, e.g. for secondary and tertiary (municipal and departmental) roads.
- In coordination with the GOC, draft a decree
- Conduct diagnostic of the institutional arrangement needed to implement the infrastructure funding mechanisms and develop recommendations for institutional reforms required.
- Develop manuals and guidelines to assist implementation of infrastructure funding strategy and a training of trainers (TOT) program for GOC officials.
- Support other USAID funded programs in implementing 5 pilot programs for infrastructure construction and maintenance projects, e.g. for secondary and tertiary roads.
- Design a strategy for funding and contracting municipal and departmental infrastructure, e.g. secondary and tertiary (municipal and departmental) road construction and maintenance, with incentives to attract private investment

Performance Standards: None expected in Year 1

Years 2-3: While activities will begin in Year 1, most of the results will be in Year 2. Year 2: 1 decree/regulation implemented, 1 institutional reform and 1 manual and guideline developed. Year 3: 2 pilots implemented and leveraging \$200m.

#### **TASK 4.4.4: SUPPORT THE IMPROVED MANAGEMENT OF KEY GOVERNMENT SERVICES**

##### **Justification:**

All activities and performance standards related to the National Consolidation Policy (new Result 4.2) were moved to that Result.

All activities and Performance Standards for Rural Development activities, were moved to the Land Component.

Task 4.4.4 will only have the activities and performance standards for the adaptation and implementation of national policies for the provision of key social and productive government services at the regional level.

Under this Task the Program will support the High Commissioner for Good Governance and Administrative Efficiency in the design and implementation of a strategy to coordinate interagency policies, programs and competences in 3 main subjects: i) Rural Development; ii) National Consolidation Policy; and iii) IDPs

##### **Activities and Related Milestones**

- Based on previous USAID Colombia experience and findings from other related activities, develop detailed recommendations to improve the national development plan for the provision of key government services, including IDPs, housing, water and sanitation, roads, access to finance, information technologies, competitiveness and business environment programs at the departmental and municipal level.
- Working with local and regional authorities, to design a comprehensive services provision strategy that, through pilot projects and permanent support to sub-national governments, facilitates the adaptation and implementation of national policies at the regional level, in sectors including: IDPs, housing, water and sanitation, roads, access to finance, information technology, competitiveness and business environment programs at the departmental and municipal level.
- Consult with the High Commissioner for Good Governance and Administrative Efficiency to design and implement a strategy to coordinate interagency policies, programs and competences for rural development.
- Consult with the High Commissioner for Good Governance and Administrative Efficiency to design and implement a strategy to coordinate interagency policies, programs and competences under the National Consolidation Policy.
- Support other USAID funded programs in implementing pilot programs to design a service provision strategy, to facilitate the adaptation and implementation of national policies at the regional level, in sectors such as: IDPs, housing, water and sanitation, roads, access to finance, information technologies, competitiveness and business environment programs at the departmental and municipal level..

- Conduct 4 workshops to identify program implementation bottlenecks at the local level and prepare recommendations for improvement.
- Consult with the High Commissioner for Good Governance and Administrative Efficiency to design and implement a strategy to coordinate interagency policies, programs and competences for displaced population

Performance Standards: 2 Workshop; 2 Manuals and Guidelines;

Years 2-3: In Year 2: 2 manuals and guidelines, 4 workshops; and, in Year 3: 2 Manuals and guidelines, 2 workshop and 2 pilot programs will be completed.

#### ***Result 4.5: Support GOC Institutional Strengthening for Good Governance***

##### **TASK 4.5.1: SUPPORT EFFORTS TO MODERNIZE PUBLIC EMPLOYMENT POLICIES AND STRENGTHEN THE PUBLIC ADMINISTRATION SECTOR**

###### **Justification:**

Activity 4.5 described in the WP, aimed to establish career tracks at the local level. In the WP validation meetings with the GOC, the High Commissioner for Good Governance and Administrative Efficiency, requested Program support for institutional strengthening for good governance, specifically with regard to Public Employment.

Task 4.5.1 will strengthen the capacity of sub-national governments to implement a civil service career track. The legal public employment framework has structural deficiencies (legal, institutional and managerial) which require the reform of the Public Employment Law, and regulation of the law (decrees/regulations) as well as implementation of the law at the national and local level. The scope covers all aspects of public employment.

Program support will change the concept of “Civil Service” to “Public Employment” since the Constitution of 1991 established it as a unified concept.

###### **Activities and Related Milestones**

- Assess the existing legal, regulatory and operational framework for the public employment and evaluate best practices.
- Provide a technical advisor to the GOC to design a comprehensive strategy and procedures to improve the public employment system, with special focus on improving the capacity of sub-national governments to implement it.
- Provide detailed legal and regulatory reform recommendations to implement the strategy.
- In coordination with the GOC, draft, finalize and publicize Public Employment Law and a decrees or regulations to reform the public employment system.
- Develop recommendations and an action plan to encourage compliance with civil service legal and regulatory framework.

- Detailed recommendations to reform the Public Administration Sector, to improve its capacity to make and implement public administration policy.
- Develop manuals and guidelines to improve compliance with civil service laws and regulations.
- Develop training of trainers (TOT) program for GOC officials.
- Conduct 1 workshop on public employment laws and regulations.

Performance Standards: 1 Law

Years 2-3: Year 2: 2 Decrees/Regulations, 1 Institutional Reform, 2 manuals and guidelines will be developed and 1 workshop delivered. .

#### **TASK 4.5.2 SUPPORT GOC IN THE STRENGTHENING THE STATE REFORM POLICY AND STRENGTHEN THE PUBLIC ADMINISTRATION SECTOR**

##### **Justification**

One of the great challenges in the design and implementation of public policies is interagency coordination strategies that ensure efficiency. The Government's strategic priorities need to be addressed through the coordinated efforts of all entities involved to ensure greater efficiency, clarity of roles, responsibilities, goals and impact. The GOC will reform public institutions to improve public institution flexibility, functionality and productivity.

In the WP validation process with the High Commissioner for Good Governance and Administrative Efficiency, we identified duplication of functions, poor coordination and little synergy between the targeted entities. The Program will support the GOC to implement reforms that reduce risk and inefficiencies throughout the Government.

- Support the GOC in the identification of parameters that ensure synergies, efficiency in resource use and effectiveness in meeting objectives
- Provide technical assistance to strengthen the public institutions responsible for the design of State reform policy.
- Support the High Commissioner for Good Governance and Administrative Efficiency in the design and implement of an interagency coordination strategy for policies and programs.
- In coordination with the GOC, develop recommendations for structuring a technical sound policy instrument that public agencies at all levels of the government must follow when designing and implementing institutional reforms.

Performance Standards: 1 Workshop

Years 2-5: Year 2: 1 Institutional Reform, 1 Policy Instrument

#### **Result 4.6: Streamlined municipal reporting requirements**

### **TASK 4.6.1: SUPPORT THE REFORM OF THE LEGAL AND REGULATORY REPORTING REQUIREMENTS FOR SMALL MUNICIPALITIES**

*Note: Some of the proposed deliverables are not expected to be finalized until years 2-3, but the activities will begin in Year 1*

#### **Justification:**

We have adjusted the Performance Standards because we expect that the mechanisms and instruments developed to streamline reporting requirements and improve data reporting by municipal governments may not result in an institutional reform.

#### **Activities and Related Milestones**

- Assess the current reporting requirements for municipal governments, and draft, finalize and publicize 1 decree to develop regulatory modifications according to the results.
- Develop detailed recommendations to streamline reporting requirements and improve data reporting of municipal governments.
- Analyze and propose alternative scenarios for the institutional agreements needed to streamline reporting requirements and improve data reporting by municipal governments.
- Develop manuals and guidelines to comply with municipal reporting requirements.

Performance Standards: None expected in Year 1

Years 2-5: Year 2: 1 Decree/Regulation, 1 policy instrument and 1 manual and guideline will be completed. Year 3: 1 workshop will be delivered.

### **Result 4.7: National training plans that meet the needs of Municipalities**

#### **TASK 4.7.1: ASSIST IN DEVELOPING AN ACTION PLAN TO STRENGTHEN MUNICIPALITIES**

#### **Justification:**

The activities planned under this task, will result in a comprehensive institutional strengthening policy and a capacity building program for sub-national governments, without limitation to Category 6 Municipalities.

Activities related to assistance to the GOC in the modification of the municipalities' categories structure, were eliminated as this is addressed in the Decentralization Statute Task (Task 4.4.1).

This Result is one of the highest priorities for the GOC. As a result, we are proposing to increase the Performance Standards that will be achieved under this task, as follows: i) the number of workshops are increasing from 0 to 4; ii) we are including 1 Institutional Reform; iii) 2 additional Manuals and Guidelines will be developed, and iv) we are proposing to implement the capacity building Program designed in 5 pilot projects. These are not new pilots but are those planned under Task 4.1.3, which were moved into this current Task.

### **Activities and Related Milestones**

- Assess the current GOC strategy to build and strengthen departmental and municipal governments' capacity, as well as document the best practices and lessons learned on sub-national management capacities, and recommend improvements and an action plan for institutional strengthening, capacity-building and training.
- In coordination with national GOC (including DNP and the High Commission for Good Governance and Administrative Efficiency) and the sub-national governments, design a comprehensive policy, program, and training plan to build the capacity of departmental and municipal governments. The plan will improve management capacities, including planning, budgeting, monitoring and evaluation, and interagency coordination; as well as enhance the capacity of municipalities to provide services and infrastructure through technical assistance and learning-by-doing methodologies. The program will take into account regional differences and take into account the special needs of Afro-Colombian and the indigenous.
- Design a complementary program to strengthen the participation of the private and academic sectors in municipal and departmental management
- Develop an action plan to incrementally introduce the capacity building program in the municipalities and departments defined as pilot programs.
- In coordination with the GOC, produce a draft CONPES that conceptualizes a comprehensive policy for strengthening sub-national institutional capacities, including the institutional arrangement needed to implement it, as well as the capacity building program.
- Assist GOC in the design and regulation of the Institutional arrangement for Institutional Strengthening of sub-national governments.
- Conduct 4 workshops with municipalities and departments' representatives.
- Support other USAID funded programs in implementing a comprehensive training plan to build the management capacity of departmental and municipal governments, through pilot projects in CELI regions.

Performance Standards: National Development Plan, 1 workshop,

Years 2-3: Year 2: 1 CONPES, 1 decree/regulation, 2 workshops, 2 Manuals and guidelines. Year 3: 1 Workshop, 1 Institutional Reform, and Five pilot projects will be designed and completed in Year 3.

## COMPONENT 5: LABOR ISSUES

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**Overall Objective:** Through the Public Policy Program, AECOM will continue to support the legal reforms needed to meet and enforce international labor standards by improving labor inspections and oral justice adjudication procedures. We will help increase the efficiency of labor markets by providing assistance to strengthen job training and labor intermediation programs, and will deliver specific recommendations to improve the quality of labor demand information. Support will be provided to policy reforms aimed at reducing labor market distortions, rigidities and disincentives to labor-intensive production.

**Background:** The new GOC agenda includes, among other things, an emphasis on significantly reducing informality, generating employment opportunities for youth (first-job bill), reducing factor-price distortions (to favor the use of labor-intensive technologies), improving labor market functionality (labor market intermediation and protection of unemployed workers), and separating labor and health into two different Ministries. Although the National Development Plan has not yet been finalized, these policy priorities have been included in the preliminary draft.

We do not foresee changes to the original labor work plan, however, Ministry officials have expressed their concern with respect to two aspects of the new National Development Plan: 1) the GOC will require more technical support in key policy areas related to the development of labor market changes, especially those related to the reduction of informality, employment generation, and active and passive employment policies; and, 2) the creation of a Ministry of Labor (or Labor and Social Protection), will generate the need for rapid institutional strengthening of the new Ministry to enable ministry officials to assume the new responsibilities with enough technical and political capacity to impact labor and social policy.

**Approach:** The Program will identify key reforms to improve labor inspection, increase respect for workers rights, and develop the technical capacity to make appropriate decisions in the area of labor market policy and employment generation. To build support for reform priorities and assist during the reform design stage, AECOM shall conduct seminars and workshops with GOC officials, workers, employers, the media, and CSOs on workers' rights, International Labor Organizations (ILO) Conventions approved by the Colombian Congress, employment and informality, effects of factor-price distortions, and labor market institutional reform, among others. The Public Policy Program will also work with GOC counterparts, such as the Ministry of Social Protection, Ministry of Interior and Justice, Ministry of Education, National Planning Department, Escuela Superior de Administración Pública, Acción Social, department and municipal governments, and with civil society groups (unions, workers, employers, academics) in the design and implementation of the projects in order to build support from the bottom up.

**Synergies with other components and USAID Programs:** The Labor Component will interact with other components of the Policy Program to maximize the impact of its activities. The area in which this interaction will be especially important is in the design of training programs for vulnerable populations (Task 5.4.1). The activities in this task will complement, and be complemented by, the activities in Task 3.4.1 (Support the implementation of programs that promote income opportunities for vulnerable populations) and Task 3.5.1 (Assist with the implementation of GOC policies for Afro-Colombians and indigenous communities). The Labor component will work with Component 3, Policies Toward Conflict-Affected Populations, in the design of training activities for vulnerable populations and will prepare a joint strategy for their implementation.



**Rapid Start up activities:** AECOM will implement activities to create momentum and generate impact by means of achieving early successes in some key areas including:

- A seminar on ILO fundamental labor rights for workers, employers, media, and academics.
- Workshop with labor unions on fundamental labor rights and labor protection under different types of contracts.
- Workshop on unemployment insurance systems covering relevant cases for the Colombian context and challenges and opportunities, with participation of local and/or international experts and targeted to employers, unions, authorities, and academics.

## YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES

### *Result 5.1: Effective labor inspections and enforced labor rights*

#### **TASK 5.1.1: ASSIST IN DEVELOPING A CULTURE OF RESPECT FOR FUNDAMENTAL LABOR RIGHTS AND RELATED REGULATION TO COMPLY WITH ILO TREATIES**

Name Change and activity have been slightly adjusted.

#### **Activities and Related Milestones**

*Note: Although the Labor Statute Draft will not be completed during the first year, some related activities will be implemented during Year 1*

- Conduct sector and regional tri-partite social dialogue events to increase awareness and understanding of Fundamental Labor Rights. With the GOC develop action plans, with input and buy in of workers and employers, to improve acceptance and enforcement of fundamental labor rights.
- Conduct a seminar on ILO standards. The seminar will inform stakeholders (workers, employers, government) on ILO standards already accepted by the Colombian Congress, and their implications in terms of labor law reforms to be included in the Labor Statute draft bill.
- Conduct one workshop with stakeholders (unions, workers, employers) on ILO treaties approved by the Colombian Congress and Colombian labor law reform. The workshop will contribute to the development of a consensus on the reforms that the Labor Statute should include.

Performance Standards: 1 Seminar on ILO Standards; 1 workshop with labor unions and employers; 5 social dialogue meetings.

Years 2-5: Year 2: Continue developing stakeholder consensus and drafting and finalizing a labor law. Year 3, draft 1 decree providing implementing regulations for the law.

#### **TASK 5.1.2: ASSIST IN THE DEVELOPMENT OF METHODOLOGIES AND DATABASES FOR IMPLEMENTING RISK-BASED INSPECTIONS**

#### **Activities and Related Milestones**

*Note: Although the implementation of a Risk-Analysis system will not be completed during the first year, supporting activities will begin in Year 1*

- Assess the quality of information available on labor inspection and institutional capacity within the Ministry of Social Protection to perform risk analysis-based work-place inspections, and recommend areas for improvement.



- Evaluate available databases in the Ministry of Social Protection (MSP), such as PILA (Planilla Integrada de Liquidación de Aportes), RUAF (Registro Unico de Afiliados), professional risk operators databases, among others, for use in risk-based labor inspection procedures.

Performance Standards: No performance standards for Year 1

Years 2-5: Years 2-4: Consolidate the application of risk-based inspection procedures. The result of these efforts will be an institutional reform with full implementation of work-place inspection risk-analysis techniques. A law will be designed in consultation with labor unions and employers (workshop), a decree/regulation will be developed, and institutional reforms implemented.

### **TASK 5.1.3: ASSIST IN SIMPLIFYING PROCEDURES AND REDUCING RED TAPE IN LABOR INSPECTION PROCESSES**

#### **Activities and Related Milestones**

*Note: Although the draft bill will not be complete during the first year, supporting activities will be implemented during Year 1*

- Create a discussion group within the Ministry of Social Protection and provide technical assistance to prepare a bill reforming (simplifying or abolishing) procedures under the responsibility of labor inspectors. Assistance will be provided to the Departamento Administrativo de la Función Pública (DAFP) which is responsible for the preparation of the law.
- Provide technical assistance on procedures currently under the responsibility of labor inspections that should be modified or abolished in order to facilitate current work-place inspection activities.

Performance Standards: No performance standards in Year 1

Years 2-5: Years 2 and 3: complete the implementation of risk-analysis based inspections and simplification of procedures and reduction of red tape.

### **TASK 5.1.4: TRAINING OF LABOR INSPECTORS**

#### **Activities and Related Milestones**

- Begin development of training manual and guidelines for risk-analysis-based work-place inspections.
- Begin training of inspectors in the Labor Inspection Central office (Bogota). This training will include risk-analysis techniques and health and safety inspections, among others.
- Assess current labor inspection conciliation procedures and provide recommendations for improvement.

Performance Standards: No performance standards in Year 1

Years 2-5: Training of inspectors will continue in Years 2 and 3, until 100 inspectors are trained in risk-based inspection and conciliation procedures. Manuals on risk-analysis and its application in labor inspection cases will be developed.

### **Result 5.2: Improved processing of labor-related cases through the Oral Adjudication System**

### **TASK 5.2.1: ASSIST THE CONSEJO SUPERIOR DE LA JUDICATURA (CSJ) IN STRENGTHENING THE ORAL JUSTICE SYSTEM OBSERVATORY**

#### **Activities and Related Milestones**

*Note: This task will not be completed in Year 1*

- Design and establish a sustainable oral justice observatory in the Consejo Superior de la Judicatura (Higher Adjudication Court). The observatory will become an important tool to monitor the implementation of the oral adjudication system for labor cases and to identify key areas where policy changes will be required.
- Develop a set of oral justice procedures and recent jurisprudence regulation manuals for the labor oral adjudication system.

Performance Standards: 1 Institutional Reform: Observatory for oral labor adjudication cases implemented; 1 Manual with guidelines on oral adjudication procedures to support training of labor judges.

Years 2-5: Institutional Reform: Implementation of oral adjudication observatory for oral labor cases in the High Adjudication Court (Consejo Superior de la Judicatura).

### **Result 5.3: Training Programs linked to labor market demand**

#### **TASK 5.3.1: ASSIST THE GOC IN DEVELOPING A LABOR MARKET INFORMATION SYSTEM**

##### **Activities and Related Milestones**

*Note: Although the labor market information system will not be completed during the first year, activities will begin in Year 1*

- Conduct an assessment and develop recommendations to improve the labor market information system to inform policy and training decision-making.
- Evaluate information available and identify critical information gaps for implementing a training needs forecasting system, with recommendations for improvement.
- Design a general strategy and methodology for the construction of the training needs forecasting system contained in CONPES # 3674 (July 19, 2010), Annex.
- Develop detailed policy recommendations and an action plan to improve labor market demand and job training, based on an institutional assessment of SENA

Performance Standards: No performance standards in Year 1

Years 2-5: Based on the results of Year 1 activities, inputs to the National Development Plan and 1 CONPES document will be completed in Year 2. In Year 3, 1 institutional reform and 1 manual and guidelines will be completed.

#### **TASK 5.3.2: SUPPORT THE GOC IN MAKING USE OF THE SYSTEM TO DESIGN JOB TRAINING AND JOB MATCHING POLICIES AND PROGRAMS**

##### **Activities and Related Milestones**

*Note: Although the use of the labor market information system for job training will not be implemented during the first year, some related activities will be implemented in Year 1*

- Develop proposed institutional reform of SENA (Colombian National Training Service) and MOE (Ministry of Education). Provide recommendations to improve the responsiveness of training and of educational alternatives to the demands of the Colombian labor market.

Performance Standards: No performance standards in Year 1

Years 2-5: Years 2-5: Implement the action plan for institutional reform of SENA developed in Year 1, including use of the information system to design job training and matching policies and programs.

#### ***Result 5.4: Special Training programs for IDP's Developed***

##### **TASK 5.4.1: ASSIST IN DESIGNING TRAINING PROGRAMS FOR VULNERABLE POPULATIONS**

###### **Activities and Related Milestones**

- Develop recommendations to strengthen and implement job training and job matching programs in the five CSDI regions.
- Evaluation of public and private supply of training programs for vulnerable population *vis a vis* the needs of vulnerable populations. The evaluation will be done with the participation of representatives from vulnerable groups.
- Document outlining the basic elements of training methodologies for different vulnerable population groups.
- Assist implementation of job training and job matching pilots in other USAID funded programs.

Performance Standards: 1 Institutional Reform: The development of a training methodology based on the specific needs of different vulnerable population groups.

Years 2-5: 5 pilots programs supported in cooperation with other USAID funded projects. The pilot projects will test applicability of different training methodologies with different vulnerable population groups and will contribute to the development of strategies and methodologies to better provide technical training to vulnerable populations.

#### ***Result 5.5: GOC reforms to strengthen the functioning of labor markets***

##### **TASK 5.5: IMPROVE THE LABOR MARKET INTERMEDIATION SYSTEM AND UNEMPLOYED WORKERS PROTECTION SYSTEM**

###### **Activities and Related Milestones**

*Note: Although the use of the labor market information system for the purposes of job training will not be implemented during the first year, supporting activities will be implemented during Year 1*

- Draft a policy document aimed at improving the functioning of the labor market intermediation system and unemployment insurance scheme, including the financial and institutional feasibility of an unemployment insurance scheme.
- Evaluate Colombian labor market institutional capacity to undertake active and passive employment policies, with detailed recommendations for the reform and/or creation of labor policy instruments. (This will inform activities under 5.5.2 below)

Performance Standards: No performance standards in Year 1

Years 2-5: One input to the NDP in Year 2 and 1 CONPES document in Year 3.

#### **TASK 5.5.2: EVALUATE THE EMPLOYMENT EFFECTS OF LABOR MARKET PRICE DISTORTIONS**

##### **Activities and Related Milestones**

- Conduct a seminar with case studies on the effect on employment and informality of reforms that remove price and other labor market distortions.
- Conduct a seminar on the effect on formalization and employment by the removal of price distortions.
- Conduct workshops with GOC authorities, experts, labor unions and employers on job intermediation, including one workshop on labor market distortions and one workshop on unemployment insurance.

Performance Standards: 1 Seminar; 2 Workshops

Years 2-5: One workshop will be conducted in Year 3.

## COMPONENT 6: ENVIRONMENTAL POLICY

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**Overall Objective of the Component:** The Public Policy Program will support the Ministry of Environment and Housing (MEH) in leading the revision and redefinition of the National Biodiversity Policy and the design of the National Biodiversity Plan, the unification of protected areas categorization and the law for the National Protected Areas System, the national hydro-meteorological network policy and associated climate services, the Payment for Ecosystem Services (PECS) strategy policy document, and the climate change and greenhouse emissions reduction policy. The Public Policy Program will contribute to improving institutional capacity to design programs, policies and regulations that foster low carbon growth and development. We will support the MEH in coordination with other ministries to lead improvements in land use planning and management guidelines, and clarifying roles in the regulation and enforcement of land use restrictions, through mainstreaming environmental considerations in other Program components. Regulation adjustment of the Law 2 of 1959 and the design of the Law for National Protected Areas System will be an important element of this effort, as will incorporate gender mainstreaming and the role of women in environmental conservation and climate change—an area that has been steadily gaining ground in international development that can positively impact policy and conservation decisions in Colombia. The Program will support these and other initiatives that emerge from the technical assistance environmental sub-agreement and technical cooperation agreement, including the environment and competitiveness policy document planned for 2010.

**Background:** During 2010, the GOC has made advances in the revision of the national policy on biodiversity and ecosystem services. The GOC currently has a draft policy document that needs to be reviewed and discussed in a comprehensive manner with stakeholders. The GOC issued Decree 2372, 2010, creating the National System of Protected Areas and CONPES 3860, 2010, which structures SINAP. The GOC has prepared a draft decree and law which partially regulates a payment scheme for water related environmental services and has a policy draft document on Payment for Environmental Services.

The GOC also made progress in developing the National Climate Change Policy document prepared by the National Planning Department and the Ministry of Environment, Housing and Territorial Development. Additionally, the GOC prepared the "Draft Strategy for Colombia's Reduction of Emissions from Deforestation and Forest Degradation REDD," under the leadership of the the Climate Change Mitigation Group of the Ministry of Environment, Housing and Territorial Development in early 2010, as part of a strategy to reduce deforestation in the country, which is consistent with the national forestry development plan and national climate change policy draft. It is consistent with the framework of cooperation on climate change, which is supported by three pillars of the national climate change policy draft: 1) the national development plan for low carbon emissions; 2) the national plan for climate change adaptation currently in development, and 3) promotion of market mechanisms as an efficient means of reducing emissions in developing countries. The REDD strategy works in coordination with the national forestry regulations to ensure a strong foundation in sustainable forest management and governance that helps manage conflicts over use decisions and access to forest resources.

The GOC has made progress in the design of a policy document on competitiveness and environment. An ongoing evaluation of the hydro-meteorological Network will provide important elements to design a national policy to organize and develop the network as a strategic step to achieve water policy and climate change adaptation goals.

**Approach:** The Public Policy Program will take into account the progress made by the USAID MIDAS Program, which has allowed not only identification of the main legal and institutional reforms to enhance the effects of climate change and promote conservation activities and biodiversity forests, but the necessary interface with other components to effectively influence the design of environmental policies that permeate land policies, decentralization and those policies aimed at improving the incomes of Afro-Colombian and indigenous communities.

To do this, we will gather information from the draft policy documents prepared by the GOC, and as a result of pilot programs in the CELI regions, to feed into regulations and policy proposals and promote public discussion and participation in international seminars and regional and local workshops to facilitate the participation of all actors and sectors involved. This will allow a more appropriate design of legal and regulatory reforms, and economic instruments that make possible the objectives of environmental policies such as environmental services schemes, strategies for reducing emissions from deforestation and degradation, protection, conservation, monitoring and use of biodiversity and the involvement of ethnic minorities especially indigenous peoples in the benefits of these strategies.

**Synergies:** In developing each of the activities, the environmental component will maintain a close relationship with 1) the Land Policy Component, specifically for viable strategies formalization, restitution and titling that do not affect the protected area system; 2) the Decentralization Component in relation to the impact of the environment and environmental resources in the definition of land use and land management, and strengthening local capacities in the exercise of the functions and environmental responsibilities; and iii) the Conflict-Affected Populations Component, to the extent that the component seeks to provide alternatives that will permit the improvement of livelihoods among Afro-Colombian and indigenous populations that depend on renewable natural resources for their livelihoods.

Additionally, the environmental component will coordinate with other environmental programs as a product of U.S. Government cooperation with the GOC, such as Climate Change, Protected Landscapes, among others, in order to support the GOC in a comprehensive manner and optimize human, logistical and financial resources of foreign aid.

**Rapid start up activities:** The Public Policy Program will review the draft policy document on biodiversity written by the previous government and make an assessment of the policy, treatment of the vulnerable populations and sustainable livelihoods, as well as support for the definition of its conceptual framework, policy objectives and strategies, the institutional arrangements and policy indicators required, and policy recommendations. The Program will also review the draft document on climate change policy and provide support for the final draft of the CONPES, and the decree to create the National Climate Change System. Other policy documents according to the priorities of the MEH, included in the NDP, will be reviewed and support will be provided for draft policy documents on: (i) the draft document and decree for Payment for Environmental Services, which will be used to support the design of the PES policy document; (ii) the draft of REDD strategy policy document.

We will produce a document containing proposals on criteria and procedures for the removal, realignment and titling of public lands in forest reserves in Act 2 of 1959, for inclusion in the draft Land Law to be submitted by the Government in 2011. The specific tasks are as follows:

Task 6.1.1      Assist GOC with the design of a policy document on biodiversity based on the prior policy document and improve the document to include conceptual framework, objectives, strategies, and institutional arrangements and policy indicators.

- Task 6.1.2 Support the GOC in the design of the Natural Forest Policy document, which will develop the conceptual framework, objectives, strategies and general action plan.
- Task 6.2.1 Assist in strengthening the implementation of the SINAP Policy.
- Task 6.3.1 Strengthen the National Hydro-meteorological Network, through the design of the first policy for a hydro-meteorological network and associated climate services.
- Task 6.3.2 Support the GOC in the design of risk management policy guidelines for flood areas, taking into account different scenarios for climate variability and climate change, including criteria for the delimitation of these areas.
- Task 6.4.1 Support the PES policy document design.
- Task 6.4.2 Assist in the design of REDD+ strategy policy document, including specific attention for collective land and resguardos.
- Task 6.5.1 Assist in the design of climate change and greenhouse gas emission reduction policy.
- Task 6.5.2 Support the Third National Communication (TCN) for Climate Change.
- Task 6.6.1 Assist the GOC in implementing the environmental sub-agreement of the U.S.-Colombia Free Trade Agreement, and in the design of the competitiveness and environment policy document.
- Task 6.7.1 Restructuring and separation of the Ministry of Environment, Housing and Territorial Development and Definition of the Ministry of Sustainable Environmental Development

**Counterpart Interfaces:** The Ministry of Environment and Habitat, DNP, Ministry of Agriculture, Ministry of Information Technologies, Ministry of Trade, Ministry of Finance, Ministry of Mining and Energy, Ministry of Transport, Ministry of Social Protection, Ministry of International Affairs, Ministry of Defense, Acción Social, CARs (Corporaciones Autónomas Regionales).

## **YEAR 1 ACTIVITIES AND ASSOCIATED RESULTS AND OUTCOMES**

### **Result 6.1: Improved monitoring, conservation and protection of biodiversity**

#### **TASK 6.1.1: ASSIST GOC WITH THE DESIGN OF THE NATIONAL BIODIVERSITY POLICY**

*Note: some of the deliverables are not expected to be finalized until years 2-3, but the process to get them underway will begin in year 1.*

#### **JUSTIFICATION**

The national biodiversity policy was included in task 6.1.1. This policy is critical and will serve as the framework for the national biodiversity plan.

- **INSERTED:** National Biodiversity policy document.
- **DELETED:** Support CELI programs implement pilot programs in USCSDI regions.

#### **Activities and Related Milestones**

- Review the draft, updated National Biodiversity Policy from the prior government and include a conceptual framework, policy objectives and strategies, institutional arrangement, policy indicator and recommendations. Identify and evaluate the current instruments contained in the updated National Biodiversity Policy and propose new efficient and feasible instruments to be included in the policy document and or Plan



- Draft regulations for risk-based monitoring and control methodology to enforce the National Biodiversity Plan.
- Design an indicator system for the environmental authorities, MEH and Environmental Research Institutions to monitor, and evaluate the implementation of the updated National Biodiversity Plan.
- Draft regulation for the adoption of the indicator system.
- Assess the capacity and technical gaps of the Regional Environmental Authorities to implement the indicators for the evaluation of the Updated National Biodiversity Plan, and develop implementation guidelines.
- Conduct a workshop with Regional Environmental Authorities to discuss and adjust the proposed indicator system.
- Design manual and guidelines for the implementation of indicator system.
- Conduct a seminar on international best practices on biodiversity conservation as an input to improve the National Biodiversity Plan.
- Conduct 6 workshops on the National Biodiversity Plan with Afro-Colombians, indigenous communities and farmers living in protected areas. The main purpose of these workshops is to receive inputs for the Plan.
- Draft and vet recommendation on the reform of Law 2 of 1959, addressing the criteria and procedures for the removal, establishment of boundaries and titling of vacant land (baldios) in Forestry Reserves to be included in the Law.

Performance Standards: National Development Plan: Update of the National Biodiversity Policy to be adopted; National Biodiversity Plan and its related decree, manual and guidelines, seminar and workshops.

Years 2-3: 2 policy documents adopting the National Biodiversity Policy and a document on the National Biodiversity Plan; 1 decree/regulation to develop risk-based monitoring and control methodology to enforce the National Biodiversity Plan; 1 manual and guidelines for the Regional Environmental Commissions to monitor and enforce compliance of the National Biodiversity Plan; 1 seminar on the National Biodiversity Policy; Six workshops on the National Biodiversity Plan with Afro-Colombians, indigenous and farmers in protected lands.

## **TASK 6.1.2: ASSIST GOC IN DESIGN OF NATURAL FOREST POLICY DOCUMENT**

### **JUSTIFICATION**

Task 6.1.2 is a new task that supports the design of a policy document on Natural Forests. The GOC has been working on this document as part of the adjustment to the National Development Forestry Policy. No result has been achieved yet. This policy is also crucial to define the use of natural forests which are not under categorized as protected areas.

### **Activities and Related Milestones:**

- Support MAVDT in adoption of the natural forest policy document, which will include the objectives, strategies and general action plan. This document includes harmonization with the SINAP CONPES



and the REDD+ Strategy Document, defines natural forest areas for priority sustainable management interventions and incentives.

- Draft recommendation on the reform of Law 2 of 1959.
- 1 implementing decree on the natural forestry reserves and additional topics as determined by the Policy document.
- Workshop on the policy document- information dissemination and consensus building

Performance Standards: National Development Plan; 1 Policy Document on Natural Forests; 1 Law; 1 Decree/regulation; 1 Workshop

Years 2-3: Draft Natural Forest Policy document; draft reform of law 2 1959; draft implementing decree; conduct a workshop to promote the policy.

## **RESULT 6.2: SUPPORT IMPLEMENTATION OF THE POLICY THAT DEFINES THE NATIONAL PROTECTED AREAS SYSTEM - SINAP (CONPES 3680)**

### **JUSTIFICATION**

The Result name was modified to clarify that the result is about strengthening policy implementation of the SINAP and not the SINAP in general.

**Added:** 2 activities/milestones: (i) harmonization of protected areas categories to simplify the use of categories in Colombia. More than 220 types of categories are in use throughout the SINAP. This activity should reduce category types to 5. This provides a better understanding of protected areas in Colombia for protected area policy purposes and for sectorial decision makers; (ii) “Naturalmente Colombia” as an instrument to enforce policy implementation.

### **TASK 6.2.1: ASSIST IN STRENGTHENING THE IMPLEMENTATION OF SINAP POLICY.**

#### **Activities and Related Milestones:**

- Analyze the protected areas categories used in 12 RECS and adjust them to meet those established by the national regulation.
- Draft and vet a law for the creation and regulation of the national protected area system.
- Support the design of the "Naturalmente Colombia" strategy which will include (i) the detailed and design for the operation strategy; (ii) measurable objectives and conservation goals, and a monitoring system, and; (iii) the design of a detailed business plan (including platform enabling involvement of the public and private sector and international cooperation)
- Manuals and Guidelines for implementation of the National Protected Areas Law and land use management in natural parks & protected land.

Performance Standards: National Development Plan; 1 document on unified protected areas categories; 1 law for protected areas system; 1 Law: Recommendations for the reform of Law 2 of 1959 and 1 implementing decree; and 1 manual and guideline for implementation of Protected areas Law.

Years 2-3: Draft a Law creating the National Protected Areas System and the definition of the “Naturalmente Colombia” strategy; Design the manual and guidelines for implementing the law and land use management for natural parks and protected land.

***Result 6.3: Support actions to incorporate climate information into public policy decision making.***

#### JUSTIFICATION

**New Result.** Hydro-metrological information for decision makers is critical for providing solutions for conflicts between the environmental and economic sectors and guaranteeing environmental services. This information is critical for climate change and climate variability activities.

#### **TASK 6.3.1: STRENGTHEN THE NATIONAL HYDRO-METEOROLOGICAL NETWORK**

New task.

#### **Activities and Related Milestones**

- Support MAVDT and IDEAM in the adoption of a national policy that includes objectives, financial and technical strategies and institutional arrangements for strengthening and the development of the hydro-meteorological network and the associated climate services. The main purpose of the policy is to establish a better understanding and use of climate information by decision makers. Initial support for implementation will be provided.

Performance Standards: National Development Plan; 1 policy document on hydro-meteorological network and associated climate services.

Years 2-3: In Year 2, we will draft the policy document.

#### **6.3.2 SUPPORT RISK MANAGEMENT ON FLOODED AREAS**

New task.

#### **Activities and Related Milestones**

- Support the MAVDT in developing guidelines for risk management of flood zones taking into account different scenarios for climate variability and climate change. This support will include criteria for flood area demarcation.

Performance Standards: manual and guidelines on risk management for flood zones.

***Result 6.4: Support policy design to develop PECS***

#### JUSTIFICATION

Change in name and number of the Result. Previously Result 6.2 and the original Result 6.4 was eliminated.

### TASK 6.4.1: SUPPORT THE PECS POLICY DOCUMENT

#### JUSTIFICATION

Due to progress over the last year, we are proposing that Performance Standards be changed for Year 2.

#### Activities and Related Milestones

- Evaluate, analyze and compile national, regional and local experiences on PECS.
- Design a mechanism for the valuation of the environmental services for protected areas.
- Review the draft implementing decree for PECS from the previous government and assist in its adoption.
- Draft decree on PECS implementing Article 111 of Environmental Law.
- Design and implement two policy instruments to encourage conservation in national parks and protected areas.
- Draft a Policy Document on PECS and its action plan

Performance Standards: National Development Plan; 1 Policy Document on PECS and its action plan.

Years 2-3: In year 2, 1 policy document on PECS.

### TASK 6.4.2: ASSIST IN DEVELOPING A REDD STRATEGY POLICY DOCUMENT AND DOCUMENT TO PROMOTE REDD+ PROJECTS FOR COLLECTIVE LANDS AND RESGUARDOS

#### JUSTIFICATION

##### **Deleted:**

- Conduct a study on environmental and social safeguards and institutional arrangements for REDD in collective lands and indigenous reserves.
- Conduct a study on deforestation drivers and a baseline for deforestation and degradation in collective lands and indigenous reserves.
- Promote participation of vulnerable groups (Afro-Colombians and indigenous people) in dialogue on the National REDD strategy.

##### **Deleted Performance Standards:**

Design and assist the implementation of 5 pilot programs in coordination with CELI, to implement REDD pilot programs in CSDI regions, and 1 workshop.

**Added:**

- Draft a policy document on REDD+ Strategy.
- Draft a document on REDD+ strategy for collective land and *resguardos*.

**Activities and Related Milestones**

- Review the draft REDD strategy, and design a policy document, including its conceptual framework, policy objectives, strategies, institutional arrangements, policy indicators and recommendations.
- Develop a strategy to promote REDD projects in Afro-Colombian collective lands, indigenous communities *resguardos*, and natural forest at risk of illicit crops.
- Conduct workshop on positive incentives for REDD in collective lands and indigenous reservations, and promote participation of vulnerable groups (Afro-Colombians and indigenous people) in dialogue on the National REDD strategy.
- Conduct study on ownership of carbon credits and benefit distribution.
- Draft a regulation, including monitoring, reporting, verification, and distribution of credits and incentives for implementing National REDD+ strategy.
- Draft a policy document on REDD+ Strategy.
- Draft a document on REDD+ strategy to for collective land and *resguardos*.

Performance Standards: 1 policy document on REDD strategy; Document with strategy to promote REDD projects in Afro-Colombian collective lands, indigenous communities, *resguardos*, and natural forests at risk of illicit crops production; 1 Workshop on positive incentives offered by REDD in collective lands and indigenous reserves.

Years 2-3: In Year 2, we will draft 1 decree/regulation on positive incentives of REDD in Colombia, and 1 workshop.

***Result 6.5: GOC climate change and greenhouse gas emissions reduction policy implemented***

**TASK 6.5.1: ASSIST IMPLEMENTATION OF CLIMATE CHANGE AND GREENHOUSE GAS EMISSION REDUCTION POLICY**

**JUSTIFICATION**

All activities now better reflect GOC needs.

**Activities and Related Milestones**

- Evaluate the studies available on potential reduction and mitigation.
- Assist MAVDT in reviewing and adopting the draft Climate Change CONPES proposal from the previous government.
- Develop a Decree, creating the National Climate Change System.

- Prepare a document supporting institutional reforms needed to improve and clarify the roles & responsibilities of the MOEH & RECs and other institutions on climate change issues.
- Prepare a document with the results of the study and recommendations for the National Low Carbon Development Strategy
- Support the National Mitigation Options Study being lead by the World Bank. The results of this study will be used in the design of the National Low Carbon Development Study.
- Prepare a document on the Low Carbon Development Strategy. The document will include the design and detailed recommendations for the National Low Carbon Development Strategy. The Program will support the MEH to coordinate the design process of the Strategy. It will include: design of programs, regulations, & incentives to reduce GHG emissions for mining, livestock, & agriculture, urban renewal and alternative energy sources.
- Prepare a document with the conceptual framework for the design of the national adaptation plan.
- Prepare general guidelines for the design of specific sector adaptation strategies to be included in decision instruments (public policy or sector plans), and at least two sector adaptation strategies included in sector decision instruments.
- Seminar on climate change policy & GHG emission reduction policy or national adaptation plan's methodology
- 6 Workshops: 2 Workshops on Climate Change & Low Carbon Growth Strategy and 4 workshops on integrating climate change adaptation into sector and/or territorial decision making.

Performance Standards: National Development Plan: Strategy to implement climate change policy and reduce greenhouse emissions, specifically the National Low Carbon Growth Strategy and National Adaptation Plan; Climate Change Policy document; and 1 institutional reform (Climate Change National System) to define roles and responsibilities of national agencies; National Study on Mitigation Options; and 1 seminar on climate change policy and green house gas emission reduction policy.

Years 2-3: In Year 2, the policy program will complete 6 workshop on climate change (2 on Climate Change and Low Carbon Development and 4 on Adaptation Strategies; 1 guideline for National Adaptation Plan.

#### **TASK 6.5.2: SUPPORT THE THIRD NATIONAL COMMUNICATION ON CLIMATE CHANGE**

New Task and New Activities and Performance standards.

#### **Activities and Related Milestones**

- Review Second National Communication and international experience.
- Design the conceptual framework and the methodological process through which the Third National communication will be prepared,
- Prepare a document w/Publication of the Third National Communication (TNC) in the Official Website of UNFCCC\*\*\*
- Support IDEAM in the definition of the conceptual and methodological framework of the TNC, and its implementation.

Performance Standards: None in Year 1

Years 2-3: 1 Document on the Third National Communication containing conceptual and methodological framework

***Result 6.6: Implementation of the environmental sub-agreement of the U.S. – Colombia Free Trade Agreement***

**TASK 6.6.1: ASSIST THE GOC IN DESIGNING A COMPETITIVENESS AND ENVIRONMENT POLICY DOCUMENT**

**Added an activity:** Draft Policy document on Competitiveness and Environment.

**Activities and Related Milestones**

- Review draft policy document from the previous government.
- Review national data on private environmental expenditures, and analyze associated regulatory issues.
- Review National Competitiveness System and prepare and define an institutional arrangement for the discussion of environmental issues.
- Draft Policy document on Competitiveness and Environment.

Performance Standards: 1 policy document on competitiveness and environment.

Years 2-3: In Year 3, we will complete 1 document containing a program to implement strategies and initiative for the U.S. – Colombia FTA that are in accordance with the environment technical assistance agreement established by the USG and GOC.

***Result 6.7: Institutional reform - Ministry of Environmental Sustainable Development.***

**TASK 6.7.1: ASSIST THE GOC RESTRUCTURING AND SEPARATION OF THE MINISTRY OF ENVIRONMENT, HOUSING AND TERRITORIAL DEVELOPMENT AND DEFINITION OF THE MINISTRY OF ENVIRONMENTAL SUSTAINABLE DEVELOPMENT**

New Task and New Activities and Performance standards.

**Activities and Related Milestones**

- Technical Document w/ general strategy and guidelines supporting the institutional reform.
- Document w/ inputs supporting the separation and reform of the Ministry

Performance Standards: 2 documents: (i) document that contains the general guidelines and rationale for the new institution and the general scope, and (ii) document that contains all the legal inputs that support the separation of the former Ministry and the definition of the new Ministry.

Years 2-3: none